

NOT FOR RELEASE, DISTRIBUTION, PUBLICATION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.



ARROW ANNOUNCES CN-4 and CN-5 RESULTS

Ubaque formation at Carrizales Norte continues to exceed expectations

CALGARY, February 20, 2024 – Arrow Exploration Corp. (AIM: AXL; TSXV: AXL) (“**Arrow**” or the “**Company**”), the high-growth operator with a portfolio of assets across key Colombian hydrocarbon basins, is pleased to provide an update on activity on the Tapir Block in the Llanos Basin of Colombia in which the Company has a 50% beneficial working interest.

CN-4 Well

The CN-4 well was spud on January 17, 2024, and reached target depth on January 27, 2024. The well was drilled to a total measured depth of 9,552 feet (8,613 feet true vertical depth) and targeted the Ubaque formation.

Arrow completed the well in the Ubaque formation, which has 29 feet of true vertical depth net oil pay. The pay zone is a clean sandstone exhibiting consistent 26% porosity, 5 Darcy permeability and high resistivities from top of sand to base of sand. An electric submersible pump (ESP) was inserted in the well after perforating.

The well confirms Arrow’s understanding of the large Ubaque resource base and commensurate horizontal drilling opportunities it provides.

Specific data for the initial production from the Ubaque formation are as follows:

- The well initiated production with a flow rate of 780 barrels of fluid per day.
- After recovery of the drilling and completion fluids, in a 12 hour production period the well produced 758 BOPD gross (379 BOPD net) with a 7% average water cut.
- Measured oil from the Ubaque formation shows an API gravity of 13°.

To efficiently manage the reservoir, the ESP is currently running at 42 Hz, minimum optimum pump frequency, and a 128/128 choke size is being used. The CN-4 well is currently on production, producing from the Ubaque formation at 478 BOPD gross (239 BOPD net). Management’s intention is to produce the well conservatively, at current rates, to ensure the highest estimated ultimate recovery (EUR). This approach will provide significant operational flexibility.

The CN-4 well did not test the C7 or Gacheta formations. The Ubaque production and reserves potential are considered the first priority for the Company. C7 and Gacheta potential will be unlocked with future wells and recompletions.

Initial production results are not necessarily indicative of long-term performance or ultimate recovery.

CN-5 Well

The CN-5 well was spud on February 8, 2024 to test the Carrizales Noroeste prospect and reached total depth of 9,050 feet true vertical depth on February 14, 2024. Initial interpretation of the logging of this well, drilled to the west of the known pool boundary, shows 45 feet of Ubaque oil pay to base of sand. The reservoir demonstrates consistent 25% porosity and 5 Darcy permeability. CN-5 has confirmed that there is a stratigraphic component to the trapping mechanism in the Ubaque reservoir as it extends to the west and is therefore expected to add significantly to the existing Ubaque oil reserves. The Company expects to complete the well for production over the next few weeks.

Operations Update

- The CN-6 well will spud once the CN-5 well is on production and will target the C7 Carbonara formation in a structurally high location. 3-D seismic shows considerable running room for C7 development drilling within the sizeable primary Carrizales Norte structure.
- Work continues on the construction of the Carrizales Norte Horizontal Pad (“CN B”), the Matteguafa Attic pad and the Baquiano road and pad. The Company expects to bring in a second rig for deployment at the CN B pad and a third rig for use at the Matteguafa Attic pad. The Company expects the first horizontal well at the CN B pad will be spud in Q2.
- Preliminary interpretation of the recently acquired Tapir 3D seismic program has further established the presence of an appreciable number of low risk prospects in this fertile part of the Llanos Basin. Analysis of the 3D data is ongoing, with expectations that additional prospects will be developed. This data has provided considerably more detail over the northern portion of the Tapir block.
- The Company continues to have a strong balance sheet, with no debt and over US\$13 million in the bank at February 15, 2024.
- Capella production remains shut-in, waiting on government and operator meetings with communities in the area.
- The stimulation design for OP-3 and OP-4 are being reviewed internally. Expectations are that the operations will commence in Q2.

Marshall Abbott, CEO of Arrow commented:

“The thick pay zones encountered in the CN-4 and CN-5 wells underpins the step change in value that has been created. The Company expects material reserves additions and production from further development of the multi-zone potential at Carrizales Norte. The defined Ubaque reservoir has set the stage for conventional horizontal exploitation which we expect to lead to material production, cash flow and reserves growth. Additional pay zones currently behind pipe provide further opportunities for production and reserves increases in the future.

“The CN-4 and CN-5 well results have helped determine the size of the Ubaque pool at Carizales Norte and there are strong indications that the reserves additions will transform Arrow into a much larger company. Multiple development locations are anticipated based on current results.

“With both the RCE and CN fields, management plans to control pump speed and choke wells back to efficiently manage the reservoir and discourage premature water production. Arrow believes this is in the best long-term interest of the reservoir and will maximize recovery from both fields.

“There is strong momentum at Arrow, as we continue with our fully funded, low risk drilling program across our extensive portfolio. The CN-4 and CN-5 wells have successfully increased production and are expected to add materially to reserves. Alongside this, we are encouraged by the number of prospects the Tapir 3D seismic has outlined and the drilling inventory it has provided.

“I would like to recognize the professionalism and work ethic that our entire team has dedicated to our continued success.”

For further information, contact:

Arrow Exploration

Marshall Abbott, CEO +1 403 651 5995

Joe McFarlane, CFO +1 403 818 1033

Brookline Public Relations, Inc.

Shauna MacDonald +1 403 538 5645

Canaccord Genuity (Nominated Advisor and Joint Broker)

Henry Fitzgerald-O’Connor +44 (0)20 7523 8000

James Asensio

Gordon Hamilton

Auctus Advisors (Joint Broker)

Jonathan Wright +44 (0)7711 627449

Rupert Holdsworth Hunt

Camarco (Financial PR)

Andrew Turner +44 (0)20 3781 8331

Rebecca Waterworth

About Arrow Exploration Corp.

Arrow Exploration Corp. (operating in Colombia via a branch of its 100% owned subsidiary Carrao Energy S.A.) is a publicly traded company with a portfolio of premiere Colombian oil assets that are underexploited, under-explored and offer high potential growth. The Company's business plan is to expand oil production from some of Colombia's most active basins, including the Llanos, Middle Magdalena Valley (MMV) and Putumayo Basin. The asset base is predominantly operated with high working interests, and the Brent-linked light oil pricing exposure combines with low royalties to yield attractive potential operating margins. Arrow's 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow. Arrow's seasoned team is led by a hands-on executive team supported by an experienced board. Arrow is listed on the AIM market of the London Stock Exchange and on TSX Venture Exchange under the symbol "AXL".

Forward-looking Statements

This news release contains certain statements or disclosures relating to Arrow that are based on the expectations of its management as well as assumptions made by and information currently available to Arrow which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Arrow anticipates or expects may, could or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "continue", "expect", "opportunity", "plan", "potential" and "will" and similar expressions. The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Arrow, including without limitation, Arrow's evaluation of the impacts of COVID-19, the potential of Arrow's Colombian and/or Canadian assets (or any of them individually), the prices of oil and/or natural gas, and Arrow's business plan to expand oil and gas production and achieve attractive potential operating margins. Arrow believes the expectations and assumptions reflected in the forward-looking statements are reasonable at this time, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.

The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Glossary

API: A specific gravity scale developed by the American Petroleum Institute (API) for measuring the relative density of various petroleum liquids, expressed in degrees.

Bopd: barrels of oil per day

boe/d: barrels of oil equivalent per day

Qualified Person's Statement

The technical information contained in this announcement has been reviewed and approved by Grant Carnie, senior non-executive director of Arrow Exploration Corp. Mr. Carnie a past member of the Canadian Society of Petroleum Engineers, holds a B.Sc. in Geology from the University of Alberta and has over 40 years' experience in the oil and gas industry.

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MAR**").