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ARROW ANNOUNCES 2023 AUDITED YEAR END AND Q4 2023 RESULTS, FILING OF AUDITED FINANCIAL STATEMENTS, MD&A AND RESERVES REPORT

Significant growth across key metrics including 79% increase in total revenue, increase in production of 61% and healthy cash position

CALGARY, April 29, 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, announces the filing of its Annual Audited Financial Statements and Management's Discussion and Analysis ("MD&A") for the quarter and year ended December 31, 2023 and the filing of its 2023 year-end reserves report, which are available on SEDAR (www.sedar.com) and will also shortly be available on Arrow's website at www.arrowexploration.ca.

Full Year 2023 Highlights:

- Significant 79% growth in total oil and gas revenue to $44.7 million, net of royalties (FY 2022: $25.0 million).
- Net loss of $1.1 million inclusive of an impairment loss of $11.8 million (FY: 2022: net income of $0.3 million)
- Adjusted EBITDA more than doubled to $27 million (FY 2022: $12.5 million), with Q4 2023 EBITDA of $7.1 million compared to $4.5 million in Q4 2022.
- Cash position of $12 million at the end of 2023.
- Annual average corporate production up 61% to 2,167 boe/d (FY 2022: 1,345 boe/d) with Q4 2023 average corporate production of 2,335 boe/d compared to Q4 2022 1,736 boe/d.
- Realized corporate operating netbacks of $45.17/boe, and $40.49/boe in Q4 2023, due to increased production and better prices of crude oil.
- Funds flow from operations of $19.9 million (FY 2022: $9.5 million) with Q4 2023 funds flow from operations of $3.8 million (FY 2022: $2.0 million)
- Proved and probable reserves at year-end 2023 increased 54% to 11.8 MMboe; representing a reserve replacement ratio of 621%.
- Successfully drilled an exploration well at Carrizales Norte (CN), which added significant reserves to the Company, followed by drilling of two more CN wells
- Drilled six Rio Cravo Este (RCE) wells resulting in material production and reserves increases. Successfully completed two workovers in the RCE-1 and RCS-1 wells at Rio Cravo.
- Drilled two Oso Pardo (OP) wells in the Santa Isabel block, resulting in additional production.

- All operations delivered safely, with no accidents or environmental incidents.

Post Period End Highlights:

- So far in 2024, the Company has drilled six development wells on the Carrizales Norte field in the Tapir Block, which are all currently producing at restricted rates. Ramping production up slowly prevents early water breakthrough in each well.
- Currently mobilizing the drilling rig to the Carrizales Norte B (CNB) pad to start drilling the first horizontal well.

Outlook

- Arrow has a fully funded 2024 work program totaling $45 million targeting up to 16 wells mainly in the Tapir block.

- Most development wells will be drilled in Carrizales Norte, including the Company's first horizontal wells and recently identified prospects in Baquiano and Mateguafa Attic.

Marshall Abbott, CEO of Arrow Exploration Corp., commented:

"2023 was a great year for the Company on all fronts. We saw substantial growth in production, revenue and EBITDA and our healthy balance sheet supports the aggressive capital program planned for 2024.

So far in 2024, Arrow has completed drilling of CN-4 through CN-8 and all wells are currently on production. CN-8 was a long reach well targeting the C7 formation. The well was successful in an area that before was not considered prospective and supports the stratigraphic play thesis as well as additional reserves additions. Arrow is considering a 2024 mid-year reserve report to give investors an indication of the reserves additions discovered by the CN-5 and CN-8 wells.

Arrow is now moving the drilling rig to the Carrizales Norte B (CNB) pad where the first horizontal well is expected to be spud in May and on production in June. Arrow then plans to drill up to three or four additional horizontal wells at the CNB pad and one water disposal well. Additionally, Arrow plans to convert one of the Carrizales Norte wells into a water disposal well.

Following work at the CNB pad, Arrow plans to move the drilling rig to the Baquiano pad to drill the first exploration well at Baquiano. With success, two additional Baquiano wells are planned to be drilled. Arrow expects the first horizontal well at Carrizales Norte to have a significant impact on the Company's production and the Baquiano exploration well to have further significant impact to both the Company's production and reserves. The Arrow team continues to strive towards operational excellence and increasing shareholder value."

CN-7

The CN-7 well was spud on March 19th, 2024, and reached target depth on March 26th, 2024. The well was drilled to a total measured depth of 9730 feet (8710 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals. Arrow has completed the CN-7 well in the Carbonera formation which has approximately 19 feet of net oil pay. The pay zone is a clean sandstone exhibiting consistent 28% porosity and high resistivities. An electric submersible pump (ESP) has been inserted in the well after perforating. The well has been put on production and is currently producing at 320 BOPD gross (160 BOPD net). The testing results indicate the well is capable of higher rates and the ultimate flow rate will be determined in the first few weeks of production.

CN-8

The CN-8 well was spud on April 5th, 2024, and reached target depth on April 12th, 2024. The well was drilled to a total measured depth of 10320 feet (8664 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals. Arrow has completed the CN-8 well in the Carbonera formation which has approximately 14 feet of net oil pay. The pay zone is a clean sandstone exhibiting consistent 25% porosity and high resistivities. An electric submersible pump (ESP) has been inserted in the well after perforating. The well has been put on production, is in the process of cleaning up and stabilizing, and is currently producing at 330 BOPD gross (165 BOPD net). The testing results indicate the well is capable of higher rates and the ultimate flow rate will be determined in the first few weeks of production.

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

FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	Three months ended December 31, 2023	Year ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2022
Total natural gas and crude oil revenues, net of royalties	**13,406,513**	**44,670,006**	8,931,562	24,973,464
Funds flow from operations [(1)]	**3,781,033**	**19,990,584**	1,960,289	9,493,208
Funds flow from operations [(1)] per share –				
Basic($)	**0.01**	**0.08**	0.01	0.04
Diluted ($)	**0.01**	**0.07**	0.01	0.03
Net (loss) income	**(10,492,053)**	**(1,106,613)**	2,968,117	346,524
Net (loss) income per share –				
Basic ($)	**(0.04)**	**(0.00)**	0.01	0.00
Diluted ($)	**(0.04)**	**(0.00)**	0.01	0.00
Adjusted EBITDA [(1)]	**7,132,422**	**27,157,169**	4,456,757	12,493,099
Weighted average shares outstanding:				
Basic	**278,144,305**	**242,537,228**	217,784,100	215,468,129
Diluted	**291,404,032**	**289,903,094**	288,239,348	279,288,480
Common shares end of period	**285,864,348**	**285,864,348**	218,401,931	218,401,931
Capital expenditures	**10,471,447**	**27,084,959**	2,106,463	7,668,988
Cash and cash equivalents	**12,135,376**	**12,135,376**	13,060,968	13,060,968
Current assets	**21,629,198**	**21,629,198**	17,504,225	17,504,225
Current liabilities	**12,960,084**	**12,960,084**	18,820,890	18,820,890
Adjusted working capital[(1)]	**8,669,114**	**8,669,114**	8,223,758	8,223,758
Restricted cash and deposits[(2)]	**854,834**	**854,834**	765,586	765,586
Total assets	**62,275,023**	**62,275,023**	53,190,248	53,190,248
Operating				
Natural gas and crude oil production, before royalties				
Natural gas (Mcf/d)	**1,819**	**2,150**	3,270	2,958
Natural gas liquids (bbl/d)	**4**	**4**	6	5
Crude oil (bbl/d)	**2,027**	**1,805**	1,185	847
Total (boe/d)	**2,335**	**2,167**	1,736	1,345

Operating netbacks ($/boe) (1)				
Natural gas ($/Mcf)	**($0.21)**	**($0.13)**	$0.57	$1.01
Crude oil ($/bbl)	**$45.91**	**$53.97**	$57.88	$65.06
Total ($/boe)	**$40.49**	**$45.17**	$41.95	$42.40

(1)Non-IFRS measures – see "Non-IFRS Measures" section within this MD&A
(2)Long term restricted cash not included in working capital

2023 YEAR-END RESERVES

Arrow has also filed on SEDAR, the Company's Statement of Reserves Data and Other Oil and Gas Information, Report on Reserves Data by Independent Qualified Reserves Evaluator, and Report of Management and Directors on Oil and Gas Disclosure for the year ended December 31, 2023, as required by section 2.1 of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (together, the "Reserve Report").

To recap, the Company's Year-End 2023 Company Working Interest Gross Reserves Highlights include:

- 5,292 Mboe of Proved Reserves ("1P Reserves");
- 11,847 Mboe of Proved plus Probable Reserves ("2P Reserves");
- 17,805 Mboe of Proved plus Probable plus Possible Reserves ("3P Reserves")[1];
- 1P Reserves estimated net present value before income taxes of US$135 million calculated at a 10% discount rate;
- 2P Reserves estimated net present value before income taxes of US$280 million calculated at a 10% discount rate; and
- 3P Reserves estimated net present value before income taxes of US$445 million calculated at a 10% discount rate.

Arrow refers readers to the Company's press release of March 28, 2024 for additional details, as well as to the Reserve Report filed on SEDAR.

DISCUSSION OF OPERATING RESULTS

The Company increased its production from new wells at both Rio Cravo Este and Carrizales Norte fields in the Tapir block. These have allowed the Company to continue to improve its operating results and EBITDA. There has also been a decrease in the Company's natural gas production in Canada due to natural declines.

Average Production by Property

Average Production Boe/d	YTD 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Oso Pardo	**110**	**80**	93	130	138	115
Ombu (Capella)	**20**	**-**	-	-	80	238
Rio Cravo Este (Tapir)	**1,342**	**1,326**	1,443	1,592	1,004	832
Carrizales Norte (Tapir)	**332**	**621**	642	57	-	-
Total Colombia	**1,805**	**2,027**	2,178	1,779	1,222	1,185
Fir, Alberta	**78**	**80**	81	77	74	79
Pepper, Alberta	**284**	**228**	259	313	340	472
TOTAL (Boe/d)	**2,167**	**2,335**	2,518	2,169	1,635	1,736

The Company's average production for the year and the three months ended December 31, 2023 was 2,167 boe/d and 2,335 boe/d, respectively, which consisted of crude oil production in Colombia of 1,805 bbl/d and 2,027 bbl/d, natural gas production of 2,150 Mcf/d and 1,819 Mcf/d, respectively, and minor amounts of natural gas liquids from the Company's Canadian properties. The Company's total 2023 production was 67% higher than its total 2022 production.

DISCUSSION OF FINANCIAL RESULTS

During Q4 2023 the Company continued to realize strong oil and gas prices, as summarized below.

	Three months ended December 31		
	2023	2022	Change
Benchmark Prices			
AECO (C$/Mcf)	**$2.34**	$4.42	(47%)
Brent ($/bbl)	**$77.32**	$88.59	(13%)
West Texas Intermediate ($/bbl)	**$78.35**	$82.65	(5%)
Realized Prices			
Natural gas, net of transportation ($/Mcf)	**$1.68**	$3.66	(54%)
Natural gas liquids ($/bbl)	**$68.30**	$68.28	0%
Crude oil, net of transportation ($/bbl)	**$69.61**	$72.29	(4%)
Corporate average, net of transport ($/boe)(1)	**$62.72**	$57.53	9%

(1)Non-IFRS measure

As at December 31, 2023, the Company reviewed its cash-generating units ("CGU") for property and equipment and determined that there were indicators of impairment loss in its Canada CGU and its Capella block in Colombia and recognized a loss of $11,799,740.

OPERATING NETBACKS

The Company also continued to realize positive operating netbacks, as summarized below.

	Three months ended December 31		Year ended December 31	
	2023	2022	**2023**	2022
Natural Gas ($/Mcf)				
Revenue, net of transportation expense	**$1.68**	$3.66	**$1.94**	$3.94
Royalties	**(0.05)**	(0.50)	**(0.02)**	(0.60)
Operating expenses	**(1.84)**	(2.59)	**(2.05)**	(2.34)
Natural Gas operating netback(1)	**($0.21)**	$0.57	**($0.13)**	$1.01
Crude oil ($/bbl)				
Revenue, net of transportation expense	**$69.61**	$72.29	**$72.05**	$83.10
Royalties	**(7.97)**	(6.33)	**(8.69)**	(8.81)
Operating expenses	**(15.73)**	(8.08)	**(9.39)**	(9.24)
Crude Oil operating netback(1)	**$45.91**	$57.88	**$53.97**	$65.06
Corporate ($/boe)				
Revenue, net of transportation expense	**$62.72**	$57.53	**$62.31**	$60.20
Royalties	**(7.07)**	(5.34)	**(7.30)**	(6.77)

Operating expenses	**(15.16)**	(10.24)	**(9.84)**	(11.04)
Corporate Operating netback(1)	**$40.49**	$41.95	**$45.17**	$42.40

(1)Non-IFRS measure

The operating netbacks of the Company maintained healthy levels during 2023 due to increased production from its Colombian assets, notwithstanding lower crude oil prices, which was offset by decreases in natural gas prices and higher operating expenses for natural gas.

During 2023, the Company invested $27 million of capital expenditures, primarily in connection with the drilling of 9 wells in the Tapir Block (6 RCE and 3 CN), two Oso Pardo wells, and acquisition of 100 km^2 of 3D seismic in the Tapir block to highlight existing leads and prospects for drilling. This acceleration in operational tempo is expected to continue in 2024, funded by cash on hand and cashflow.

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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 premier 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.

Glossary

Bbl/d or bop/d: Barrels per day
$/Bbl: Dollars per barrel
Mcf/d: Thousand cubic feet of gas per day
Mmcf/d: Million cubic feet of gas per day
$/Mcf: Dollars per thousand cubic feet of gas
Mboe: Thousands of barrels of oil equivalent
Boe/d: Barrels of oil equivalent per day
$/Boe: Dollars per barrel of oil equivalent

BOE's may be misleading particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bblis based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Non-IFRS Measures

The Company uses non-IFRS measures to evaluate its performance which are measures not defined in IFRS. Working capital, funds flow from operations, realized prices, operating netback, adjusted EBITDA, and net debt as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. The Company considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, and to repay its debt, as the case may be. These measures should not be considered as an alternative to, or more meaningful than net income (loss) or cash provided by operating activities or net loss and comprehensive loss as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of these measures may not be comparable to that reported by other companies.

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").