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## ARROW ANNOUNCES Q3 2024 INTERIM RESULTS AND PROVIDES OPERATIONAL UPDATE

### *CNB HZ-7 on production*

CALGARY, November 28, 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 operational activity and announce the filing of its Interim Condensed (unaudited) Consolidated Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the three and nine months ended September 30, 2024 which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and will also be available shortly on Arrow's website at [www.arrowexploration.ca](http://www.arrowexploration.ca).

#### **Q3 2024 Highlights:**

- The strongest quarter in Arrow’s history for production, revenue, EBITDA and cash flow.
- Successfully drilled the first three horizontal development wells in the Carrizales Norte (CN) field.
- Recorded \$21.3 million of total oil and natural gas revenue, net of royalties, representing a 53% increase when compared to the same period in 2023 (Q3 2023: \$13.9 million).
- Net income of \$6.7 million.
- Adjusted EBITDA<sup>(1)</sup> of \$15.9 million, a 62% increase when compared to 2023 (Q3 2023: \$9.8 million) and a 79% increase compared to Q2 2024 (\$8.9 million).
- Average corporate production of 4,124 boe/d (Q3 2023: 2,518 boe/d).
- Realized corporate oil operating netbacks<sup>(1)</sup> of \$50.76/bbl.
- Cash position of \$16.5 million at the end of Q3 2024.
- Generated operating cashflows of \$29.2 million for the nine months ended September 30, 2024 (2023: \$13.9 million).

<sup>(1)</sup>Non-IFRS measures – see “Non-IFRS Measures” section within the MD&A

#### **Post Period End Highlights:**

- Drilled three additional successful CN horizontal wells.
- Currently mobilizing rig to the Alberta Llanos pad (formerly known as Baquiano) in the Tapir block to spud the exploratory Alberta-1 well in early December.

#### **CNB HZ-7**

The sixth horizontal well on the Carrizales Norte “B” pad (CNB HZ-7) is now on production. The well initially flowed at a rate of approximately 800 BOPD gross (400 BOPD net to Arrow) with a 60% water cut. Currently the well has a 65% water cut and gross production of 700 BOPD gross (350 BOPD net).

HZ-7 was drilled lower in the structure than the other horizontal wells and expectations were that the water cut would be higher on this well with lower production. Nevertheless, the HZ7 well is expected to pay out in approximately four months. As pump frequency is increased production should increase as well.

The results of HZ7 and the other horizontal wells have derisked further horizontal development to the north and south of the current horizontal wells at Carrizales Norte.

CNB HZ-7 was spud on October 22, 2024, and reached a target depth of 8,448 feet (true vertical depth) on November 7, 2024. The well was drilled to a total measured depth of 13,893 feet with a horizontal section of approximately 3,612 feet. CNB HZ-7 came on production on November 14, 2024, with the use of an electric submersible pump (ESP).

Please note initial production flows are not necessarily indicative of long-term performance or ultimate recovery and a stabilized production rate will be determined in the first few weeks of operations, in keeping with conservative reservoir management. Further updates will be provided in due course.

### **Corporate Update**

Current net corporate production is approximately 5,500 BOE/D, inclusive of CNB HZ-7. Optimization continues.

Arrow's cash position was approximately \$19 million on November 1, 2024. Arrow has maintained a healthy balance sheet with no debt while growing the production base.

### **Upcoming Drilling**

The rig is mobilizing to the Alberta Llanos prospect where Arrow plans to drill a low risk, vertical exploration well with multiple targets including the C7, Gacheta and Ubaque. Thereafter, the Company expects to drill two more vertical wells on the Alberta Llanos pad.

Arrow plans another year of growth in 2025, expecting to drill up to 23 wells utilizing two rigs. Rig 1 will drill the Alberta Llanos prospect and will also be used at the Carrizales Norte development area and the Mateguafa Oeste and Capullo prospects. Rig 2 will drill development wells at RCE and from a new pad, called Carrizales Norte C, which will be positioned to drill horizontal wells in the northern section of Carrizales Norte field and the Alberta Llanos prospect. The Company is also planning a 3D seismic project over the southern area of the Tapir block which will further develop the Icaico and Macoya prospects. Total budgeted capital expenditures planned for 2025 is approximately \$50 million, net to Arrow, which is expected to result in production for 2025 being significantly higher than current levels.

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

*"The third quarter of 2024 was the best quarter on record for Arrow. Compared to the same quarter last year, corporate production grew by 64% and revenue grew by 53%. Operating income and EBITDA grew by 54% and 62% respectively despite Brent and AECO prices being less than in 2023."*

*"The highly successful horizontal well program at Carrizales Norte is ongoing with the completion of HZ-7. This program has also demonstrated that the Carrizales Norte reservoir extends further than originally thought and the plan is to exploit the reservoir extension with additional horizontal wells. The Ubaque reservoir has proven to be productive and very economic with the average wells paying out in less than three months. Declines from CNB HZ1, the longest producing horizontal well, were 50% in the first 3 months and 27% from day 90 until now. Individual well performance will vary, but HZ-1 is indicative of declines across the Company's horizontal wells thus far. Expectations are that these horizontal wells will continue to produce for many years to come."*

*"Arrow is looking forward to 2025 with an approved budget that will see up to 23 wells drilled on the Tapir block. The 2025 budget will be focused on production growth in development areas and low risk exploration. Arrow plans to test the Mateguafa Oeste and Capullo prospects and to develop further the Carrizales Norte and Rio Cravo Este areas using both vertical and horizontal technology."*

*"Arrow's focus for the remainder of 2024 will be the low-risk exploration well at the Alberta Llanos prospect. The Alberta Llanos prospect is a continuation of the fault from the Carrizales and Carrizales Norte fields and the 3D seismic shows 3-way closure with multi zone potential including the C7, Gacheta and Ubaque. Arrow expects to have drilling and log results before the end of 2024. "*

## FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	Three months ended September 30, 2024	Nine months ended September 30, 2024	Three months ended September 30, 2023
Total natural gas and crude oil revenues, net of royalties	21,300,115	50,851,402	13,990,353
Funds flow from operations <sup>(1)</sup>	9,233,972	23,100,351	8,690,907
Funds flow from operations <sup>(1)</sup> per share –			
Basic(\$)	0.03	0.08	0.04
Diluted (\$)	0.03	0.08	0.03
Net income	6,668,493	11,093,045	7,153,120
Net income per share –			
Basic (\$)	0.02	0.04	0.03
Diluted (\$)	0.02	0.04	0.02
Adjusted EBITDA <sup>(1)</sup>	15,961,900	34,867,138	9,826,997
Weighted average shares outstanding –			
Basic (\$)	285,864,348	285,864,348	237,919,872
Diluted (\$)	288,921,950	291,542,735	295,875,232
Common shares end of period	285,864,348	285,864,348	245,526,041
Capital expenditures	6,945,779	22,192,515	5,471,561
Cash and cash equivalents	16,536,801	16,536,801	12,891,190
Current Assets	23,230,243	23,230,243	18,652,504
Current liabilities	13,608,118	13,608,118	13,321,524
Adjusted working capital <sup>(1)</sup>	9,622,125	9,622,125	10,822,475
Long-term portion of restricted cash <sup>(2)</sup>	176,094	176,094	637,793
Total assets	73,535,397	73,535,397	62,755,250
<b>Operating</b>			
<b>Natural gas and crude oil production, before royalties</b>			
Natural gas (Mcf/d)	461	1,047	2,012
Natural gas liquids (bbl/d)	5	4	4
Crude oil (bbl/d)	4,042	2,960	2,178
<b>Total (boe/d)</b>	<b>4,124</b>	<b>3,139</b>	<b>2,518</b>
<b>Operating netbacks (\$/boe) <sup>(1)</sup></b>			
Natural gas (\$/Mcf)	(\$1.48)	(\$0.66)	\$0.18
Crude oil (\$/bbl)	\$52.00	\$53.87	\$60.62
<b>Total (\$/boe)</b>	<b>\$50.76</b>	<b>\$50.70</b>	<b>\$52.67</b>

<sup>(1)</sup>Non-IFRS measures – see “Non-IFRS Measures” section within the MD&A

<sup>(2)</sup>Long term restricted cash not included in working capital

## DISCUSSION OF OPERATING RESULTS

The Company continued increasing its production from new wells at CN which allowed the Company to continue to improve its operating results and EBITDA. There has been a decrease in the Company’s natural gas production in Canada due to shut in of wells and natural declines.

## Average Production by Property

Average Production Boe/d	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Oso Pardo	180	113	166	80	93	130	138
Ombu (Capella)	-	-	-	-	-	-	80
Rio Cravo Este (Tapir)	1,078	1,283	1,644	1,326	1,443	1,592	1,004
Carrizales Norte (Tapir)	2,784	991	622	621	642	57	-
<b>Total Colombia</b>	<b>4,042</b>	<b>2,387</b>	<b>2,432</b>	<b>2,027</b>	<b>2,178</b>	<b>1,779</b>	<b>1,222</b>
Fir, Alberta	82	77	78	80	81	77	74
Pepper, Alberta	-	82	220	228	259	313	340
<b>TOTAL (Boe/d)</b>	<b>4,124</b>	<b>2,546</b>	<b>2,730</b>	<b>2,335</b>	<b>2,518</b>	<b>2,169</b>	<b>1,635</b>

The Company's average production for the three months ended September 30, 2024 was 4,124 boe/d, which consisted of crude oil production in Colombia of 4,042 bbl/d, natural gas production of 461 Mcf/d, and minor amounts of natural gas liquids from the Company's Canadian properties. The Company's Q3 2024 production was 62% higher than its Q2 2024 production and 64% higher when compared to Q3 2023.

## DISCUSSION OF FINANCIAL RESULTS

During Q3 2024 the Company continued to realize good oil prices, offset by lower gas prices, as summarized below:

	Three months ended September 30		
	2024	2023	Change
<b>Benchmark Prices</b>			
AECO (C\$/Mcf)	\$0.70	\$2.64	(73%)
Brent (\$/bbl)	\$72.87	\$92.59	(21%)
West Texas Intermediate (\$/bbl)	\$75.15	\$77.35	(3%)
<b>Realized Prices</b>			
Natural gas, net of transportation (\$/Mcf)	\$0.56	\$1.95	(71%)
Natural gas liquids (\$/bbl)	\$61.24	\$67.10	(9%)
Crude oil, net of transportation (\$/bbl)	\$65.35	\$77.63	(16%)
<b>Corporate average, net of transport (\$/boe)<sup>(1)</sup></b>	<b>\$64.04</b>	<b>\$68.80</b>	<b>(7%)</b>

(1) Non-IFRS measure

## OPERATING NETBACKS

The Company also continued to realize strong oil operating netbacks, as summarized below:

	Three months ended September 30	
	2024	2023
<b>Natural Gas (\$/Mcf)</b>		
Revenue, net of transportation expense	\$0.56	\$1.95
Royalties	(\$0.09)	(\$0.05)
Operating expenses	(\$1.95)	(\$1.72)
<b>Natural Gas operating netback<sup>(1)</sup></b>	<b>(\$1.48)</b>	<b>\$0.18</b>
<b>Crude oil (\$/bbl)</b>		
Revenue, net of transportation expense	\$65.35	\$77.63
Royalties	(\$7.44)	(\$9.45)

Operating expenses	<b>(\$5.91)</b>	(\$7.56)
<b>Crude Oil operating netback<sup>(1)</sup></b>	<b>\$52.00</b>	\$60.62
<b>Corporate (\$/boe)</b>		
Revenue, net of transportation expense	<b>\$64.04</b>	\$68.80
Royalties	<b>(\$7.28)</b>	(\$8.21)
Operating expenses	<b>(\$6.00)</b>	(\$7.92)
<b>Corporate Operating netback<sup>(1)</sup></b>	<b>\$50.76</b>	\$52.67

<sup>(1)</sup>Non-IFRS measure

The operating netbacks of the Company continued within healthy levels during 2024 due to increasing production from its Colombian assets and consistent crude oil prices, which were offset by decreases in natural gas prices.

During Q3 2024, the Company incurred \$7 million of capital expenditures, primarily in connection with the drilling of three additional CN wells in the Tapir block. This accelerated tempo is expected to continue during the remainder of 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 global pandemics, 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**

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

MMbbbls: Million of barrels

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

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").

**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.

