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## OPERATIONAL UPDATE

### *CN HZ10 now on production*

CALGARY, April 10, 2025 – 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 recent operational activity on the Tapir Block in the Llanos Basin of Colombia where Arrow holds a 50 percent beneficial interest.

### **Highlights**

- Production over 4,500 boe/d.
- 2 horizontal wells drilled since last update.
  - o CN HZ10 producing 1,183 BOPD gross (591 BOPD net).
  - o CN HZ9 on production. Excellent reservoir sands, but sub-optimal location.
- Increase in cash position since February 5<sup>th</sup> update to over US\$25 million, while drilling two horizontal wells in the period.
- Production growth expected in Q2 with drilling underway at CN11
- Strong balance sheet, no debt or drilling commitments. Arrow has flexibility in its work program and is able to take advantage of any economic downturn with possible acquisition opportunities.

### **Production**

Total corporate production is currently over 4,500 boe/d net. Arrow’s original 6 horizontal wells at Carrizales Norte have flattened at profiles in-line with reservoir models, from initial high production declines.

Significant additional production is expected to be added prior to the end of the second quarter with planned development wells in the C7 and Ubaque reservoirs. In light of the recent movements in oil prices and current market volatility, Arrow has the ability to prioritize drilling low risk infill and development wells until market conditions stabilize. Arrow has a significant portfolio of low-risk drilling locations which it plans on utilizing, as necessary, to maintain a cost and risk effective production rate and associated cash flows.

## **Cash Balance**

On April 1, 2025, the Company had a cash balance of US\$25.1 million and held no debt. Further, the Company has no long-term rig contracts or obligations to drill wells. Corporate operating netbacks<sup>1</sup> at a US\$65/bbl Brent oil price are US\$39/bbl. This strong netback underlies the material value embedded in the Llanos Basin Tapir Block. The combination of cash on the balance sheet and robust operating cashflow are key corporate strengths in this volatile market.

## **Drilling Operations – Tapir Block**

### **Carrizales Norte field**

On the Carrizales Norte field, the Company has recently drilled two production wells from the CN pad.

The Carrizales Norte HZ9 (CN HZ9) horizontal well was spud on February 8, 2025, and reached target depth on February 24, 2025. CN HZ9 is the first well drilled into the southern area of the Carrizales Norte field. The well was drilled to a total measured depth of 11,506 MD feet (8,419 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals. The well was completed with a slotted liner.

On March 3, Arrow put the CN HZ9 well on production in the Ubaque formation which has approximately 1,100 feet of oil charged sandstone. The well encountered an initial high water cut which is believed to be water coning from the proximal vertical CN4 well which has been converted to a water injector after early water breakthrough occurred. CN HZ9 is producing at a stabilized rate of 244 BOPD gross (122 BOPD net) with a water cut of 90%. Arrow has the ability to increase pump speed and total fluid production, while pursuing a balance of water production and disposal capacity. Arrow is also pursuing alternatives to close off perforations in CN HZ9 proximal to the expected water cone to improve well performance.

The reservoir and oil charged sands at Carrizales Norte remain excellent and management believes the reservoir still has tremendous potential. The sub-optimal location of the heel of the well in CN HZ9 is believed to be the reason for the high water cut experienced.

The CN HZ10 horizontal well was spud on March 5, 2025, and reached target depth on March 23, 2025. CN HZ10 is the first well drilled into the northern area of the Carrizales Norte field. The well was drilled to a total measured depth of 12,911 MD feet (8,510 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals. The well was completed with Autonomous Inflow Control Valve (“AICV”) technology.

On March 31, 2025, Arrow put the CN HZ10 well on production in the Ubaque formation which has approximately 1,380 feet of oil charged sandstone. The well continues to clean up with the water cut declining and oil production increasing. Currently the well is producing at 1,183 BOPD gross (591 BOPD net) with a decreasing water cut of 21%. Additional pump speed increases are contemplated as a measured and slow ramp up in production is executed.

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<sup>1</sup> Corporate operating netbacks are calculated as total natural gas and crude revenues minus royalties, transportation costs and operating expenditures.

Arrow is currently drilling the CN11 well, a directional low risk infill well targeting the C7 formation. The well is expected to take two weeks to be completed and then immediately put on production. Multiple C7 wells are contemplated in the overall C7 reservoir plan at the Carrizales Norte pad.

### **Alberta Llanos field**

Following increased water cut in the Ubaque reservoir, Arrow has successfully re-completed the AB-1 well in the Guadalupe zone which resulted in initial production rates of 400 BOPD gross (200 BOPD net). The Guadalupe reservoir is producing 31 API oil. The success of the AB-1 recompletion highlights the potential for further Guadalupe development.

Following the completion of a review of the available alternatives, the AB-2 well is to be recompleted into a water disposal well in order to help with the horizontal development in the Alberta Llanos field.

AB-3 is on production and producing from the Ubaque sands. The well is producing at 160 BOPD gross (80 BOPD net). Well performance reaffirms the horizontal well development potential.

### **Drilling Schedule**

In light of the current economic conditions and oil price volatility, Arrow is continuously reviewing the original Board-approved \$50MM budget and drilling schedule. At this time, Arrow does not have any contractual commitments to employ additional rigs or to drill additional wells beyond the current CN11.

Arrow's strong balance sheet allows the Company to remain flexible in a volatile oil price environment and the Company will make further announcements should modifications to its capital program be determined.

### **East Tapir 3-D Seismic Program**

The East Tapir 3D seismic acquisition program has been completed ahead of schedule and under budget. Processing and interpretation will be completed in the next 30 days. The value added by the initial detailed 100 sq. km 3-D seismic survey shot on the northern part of the Tapir Block in 2023 has been integral in the Company's development. The current East Tapir 3-D survey covers a further 100 sq. km where existing leads on the 2-D dataset will be defined in more detail. This represents another potential value step change for the Company.

### **2024 year end results**

Arrow expects to announce the financial results for the year ended 31 December 2024 at the end of April 2025.

### **Marshall Abbott, CEO of Arrow commented:**

"Arrow will protect its strong balance sheet during this period of market and commodity price volatility. Arrow has a low-risk portfolio of drilling locations to maintain production with limited capital spend and is able to maintain high netbacks to remain cash generative through weaker crude pricing."

"The CN HZ10 well is continuing to clean up and is producing as modeling expected. The performance of the well indicates that the use of AICV technology was the best completion method which gives us confidence for future well completion in the area."

“The East Tapir 3-D seismic program has been completed ahead of schedule and under budget and we hope to develop additional prospects with the same level of success as resulted from our earlier 3-D seismic program northern part of the Tapir Block.”

“The initial six horizontal wells in the Carrizales Norte field have stabilized to lower declines and have now paid out or are in the process of paying out. Arrow expects to add significant production this year through further Ubaque horizontal wells. In addition, we are evaluating the potential for drilling horizontal wells targeting the large C7 Carbonera zone that resides in the Carrizales Norte complex.”

“The original US\$ 50 million Board approved budget that includes drilling 23 wells in 2025 is continuously reviewed and scenarios are being considered in light of the current economic conditions and the corresponding volatility in oil prices. Arrow remains flexible with a strong balance sheet and drilling inventory. Additionally, Arrow’s strong balance sheet may allow the Company to take advantage of financially distressed assets and Arrow continues to evaluate acquisition opportunities. We will provide further guidance regarding any modifications to our capital program as the economic and oil price environment stabilizes.”

“We appreciate the support of our longstanding shareholder base as well as the dedication of our talented staff.”

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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. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is entitled to receive 50% of the production from the Tapir block. The formal assignment to the Company is subject to Ecopetrol's consent. 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

MD Measured Depth

#### **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 was formerly a member of the Canadian Society of Petroleum Geologists, holds a B.Sc. in Geology from the University of Alberta and has over 35 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**").