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ARROW ANNOUNCES Q2 2026 INTERIM RESULTS

CALGARY, August 27, 2026 – Arrow Exploration Corp. (AIM: AXL; TSXV: AXL) ("**Arrow**" or the "**Company**"), the high-growth operator with a portfolio of assets across key Colombian and Canadian hydrocarbon basins, is pleased to announce the filing of its Interim Condensed (unaudited) Consolidated Financial Statements and Management's Discussion and Analysis ("MD&A") for the three months ended June 30, 2026, which are available on SEDAR (www.sedar.com) and will also be available shortly on Arrow's website at www.arrowexploration.ca.

Q2 2026 Highlights:

- Recorded $34.2 million of total oil and natural gas revenue, net of royalties, representing a 116% increase when compared to the same period in 2025 (Q2 2025: $15.9 million).
- Average corporate production of 4,902 boe/d representing a 30% increase when compared to the same period in 2025 (Q2 2025: 3,768 boe/d).
- Adjusted EBITDA(1) of $25.1 million, a 300% increase when compared to the same period in 2025 (Q2 2025: $6.3 million).
- Realized corporate operating netbacks(1) of $63.42/boe.
- Cash position of $28.5 million at the end of Q2 2026 and no debt.
- Q2 2026 operating cashflows of $15.7 million.
- Drilled one successful exploration well and two additional development wells in the Icaco field (IC) and one horizontal development well in the Mateguafa Attic field in the Tapir block
- Net income of $10.4 million (Q2 2025: loss of 0.9 million)

(1)Non-IFRS measures – see "Non-IFRS Measures" section below

Post Period End Highlights:

- Drilled two development wells, and spudded a third, at the Icaco field
- Completed the acquisition of the Thorsby field in Alberta, Canada adding production, proved reserves and additional upside opportunities for development drilling (please refer to press release dated August 13, 2026 for more details).
- Recompleted two Carrizales Norte wells to increase production

Tapir Extension

The Company continues constructive engagement with authorities regarding the Tapir block extension and believes it is well positioned to secure the extension based on satisfaction all of the relevant requirements. Arrow will keep the market updated on progress with its license extension discussions in future releases.

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

"The second quarter of 2026 has been very productive for Arrow, our best quarter yet. The discovery of the Icaco field has resulted in the beginning of a large development plan. The multi-formation discovery will result in additional reserves and drilling inventory for Arrow. We are excited by the Icaco discovery; it has become a major production platform with a material impact on the Company."

"Arrow significantly increased revenue and EBITDA while sustaining increased production, which, along

with a robust balance sheet, supports the ongoing capital program. The focus for the remainder of 2026 will be to drill additional wells at the Icaco pad, and numerous well recompletions to improve productivity in our currently most prolific fields."

FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	**Three months ended June 30, 2026**	**Six months ended June 30, 2026**	Three months ended June 30, 2025
Total natural gas and crude oil revenues, net of royalties	**34,219,743**	**57,718,059**	15,868,938
Funds flow from operations [1]	**18,904,806**	**30,462,029**	3,994,525
Funds flow from operations [1] per share –			
Basic($)	**0.07**	**0.11**	0.01
Diluted ($)	**0.07**	**0.11**	0.01
Net income (loss)	**10,357,179**	**15,578,650**	(934,735)
Net income (loss) per share –			
Basic ($)	**0.04**	**0.05**	(0.00)
Diluted ($)	**0.04**	**0.06**	(0.00)
Adjusted EBITDA [1]	**25,164,710**	**39,225,167**	6,269,979
Weighted average shares outstanding –			
Basic	**285,864,348**	**285,864,348**	285,864,348
Diluted	**289,523,559**	**288,231,181**	295,209,883
Common shares end of period	**285,864,348**	**285,864,348**	285,864,348
Capital expenditures	**9,361,608**	**17,243,943**	14,771,206
Cash and cash equivalents	**28,495,045**	**28,495,045**	13,212,417
Current Assets	**49,536,264**	**49,536,264**	20,213,917
Current liabilities	**35,021,378**	**35,021,378**	19,820,706
Adjusted working capital[1]	**14,514,886**	**14,514,886**	393,211
Long-term portion of restricted cash	**274,377**	**274,377**	154,849
Total assets	**126,194,668**	**126,194,668**	92,729,950
Operating			
Natural gas and crude oil production, before royalties			
Natural gas (Mcf/d)	**574**	**824**	1,587
Natural gas liquids (bbl/d)	**5**	**5**	10
Crude oil (bbl/d)	**4,801**	**4,666**	3,493
Total (boe/d)	**4,902**	**4,808**	3,767
Operating netbacks ($/boe) [1]			
Natural gas ($/Mcf)	**($1.71)**	**($1.07)**	($1.45)
Crude oil ($/bbl)	**$64.90**	**$54.17**	$30.08
Total ($/boe)	**$63.42**	**$52.44**	$27.36

[1]*Non-IFRS measures*

DISCUSSION OF OPERATING RESULTS

During Q2 2026, the Company's production continued to increase due to additional volumes of oil crude production from the Mateguafa Attic and the new Icaco field in the Tapir block, offset by decreased production in other fields due to natural declines. This has allowed the Company to continue its healthy level of operating results and EBITDA.

Average Production by Property

Average Production Boe/d	YTD 2026	Q2 2026	Q1 2026	YTD 2025	Q4 2025	Q3 2025	Q2 2025
Oso Pardo	**101**	**104**	98	114	95	103	131
Rio Cravo Este (Tapir)	**817**	**753**	881	1,043	996	1,065	996
Carrizales Norte (Tapir)	**1,338**	**1,253**	1,424	1,991	1,702	1,879	2,070
Alberta Llanos (Tapir)	**284**	**275**	294	474	446	943	296
Mateguafa (Tapir)	**2,031**	**2,228**	1,833	127	500	-	-
Icaco (Tapir)	**95**	**188**	-	-	-	-	-
Total Colombia	**4,666**	**4,801**	4,530	3,749	3,739	3,990	3,493
Fir, Alberta	**79**	**90**	67	100	107	29	100
Pepper, Alberta	**64**	**11**	118	162	129	47	170
KEHO, Alberta	**-**	**-**	-	1	-	-	5
TOTAL (Boe/d)	**4,809**	**4,902**	4,715	4,012	3,975	4,065	3,768

The Company's average production for the three months ended June 30, 2026 was 4,902 boe/d, which consisted of crude oil production in Colombia of 4,801, natural gas production of 574 Mcf/d, and minor amounts of natural gas liquids. The Company's Q2 2026 production was 30% higher than its Q2 2025 production and 4% higher than Q1 2026, due to the Mateguafa Attic and Icaco fields additional volumes, offset by declines in other fields.

DISCUSSION OF FINANCIAL RESULTS

The Company realized prices of $89.65 and $76.95 per boe during the three months ended June 30, 2026 (2025: $53.33) due to overall increase in crude oil and natural gas prices during the first half of 2026, offset by decreases in natural gas prices.

	Three months ended June 30		
	2026	2025	Change
Benchmark Prices			
AECO (C$/Mcf)	**$1.55**	$1.72	(10%)
Brent ($/bbl)	**$96.87**	$69.80	39%
West Texas Intermediate ($/bbl)	**$92.85**	$63.70	46%
Realized Prices			
Natural gas, net of transportation ($/Mcf)	**$1.24**	$1.27	(2%)
Natural gas liquids ($/bbl)	**$47.85**	$51.76	(8%)
Crude oil, net of transportation ($/bbl)	**$91.34**	$56.87	61%
Corporate average, net of transport ($/boe)[1]	**$89.65**	$53.33	68%

[1]Non-IFRS measure

OPERATING NETBACKS

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

	Three months ended June 30	
	2026	2025
Natural Gas ($/Mcf)		
Revenue, net of transportation expense	**$1.24**	$1.27
Royalties	**($0.27)**	($0.10)
Operating expenses	**($2.68)**	($2.61)

Natural Gas operating netback[1]	**($1.71)**	($1.45)
Crude oil ($/bbl)		
Revenue, net of transportation expense	**$91.34**	$56.87
Royalties	**($11.39)**	($6.63)
Operating expenses	**($15.05)**	($20.17)
Crude Oil operating netback[1]	**$64.90**	$30.08
Corporate ($/boe)		
Revenue, net of transportation expense	**$89.65**	$53.33
Royalties	**($11.18)**	($6.18)
Operating expenses	**($15.05)**	($19.79)
Corporate Operating netback[1]	**$63.42**	$27.36

[1]Non-IFRS measure

The operating netbacks of the Company for the three and six months ended June 30, 2026 have improved due to the overall increase in crude oil prices, as well as increased production. The Company continues to develop alternatives to trucking water for disposal in order to improve operating costs. During Q2 2026, the Company incurred $7.6 million of capital expenditure, primarily in connection with the drilling of additional development wells in the Tapir block. This tempo is expected to continue during the remainder of 2026, funded by cash on hand and cashflow.

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About Arrow Exploration Corp.

Arrow Exploration Corp. (operating in Colombia via a branches of its 100% owned subsidiary Arrow Exploration Switzerland GmbH) 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. Pursuant to certain private agreements entered between Arrow and its partner, Arrow is entitled to receive 50% of the production from the Tapir block and has the right to request approval to Ecopetrol S.A. for the assignment of 50% of all rights, interests and obligations under the Tapir Association Contract. 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
MMbbls: Million of barrels

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.

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.