

Arrow Exploration Announces Operations Update, 2023 Capital Budget and TVR

Calgary, Alberta--(Newsfile Corp. - February 1, 2023) - 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 operations update including its 2023 capital budget, and changes in total voting rights (TVR).

Operations Update

Drilling Rig Arrives at Rio Cravo Este Multiwell Pad

The contracted 1,500 HP drilling rig has arrived at the multiwell pad at Rio Cravo Este (RCE). Arrow is poised to spud the first of three low risk infill wells, RCE-3, within the next five days. These wells are expected to take 12 days to drill and a further 10 days to bring on-stream. Arrow expects RCE-4 and RCE-5 will be drilled immediately following RCE-3. As previously reported, these infill wells have similar productivity potential to RCE-2 and RCS-1 which are currently producing 850 BOPD net combined, well above forecasted rates.

The Company is planning to drill two additional wells into the Gacheta Sandstone reservoir in the fault bounded RCE structure. RCE-2 tested rates exceeding 700 BOPD gross from the Gacheta Sandstone. Dedicated Gacheta wells would likely spud in Q4 2023 after three Carrizales Norte (CN) wells have been completed.

Carrizales Norte Operations

Arrow continues construction of the road, pad and cellars for the three planned CN wells. The road and pad are expected to be complete in mid-February and the wells are expected to be drilled immediately following RCE-5 and the mobilization of the rig to the new pad.

3D Seismic Project, Tapir Block

As previously reported, Arrow has commenced the 134 square kilometer 3D seismic project on the Tapir block. The 3D seismic project is scheduled to be completed in Q1 2023.

Workover Program

Arrow is continuing to recomplete existing wells that display additional production upside in unperforated zones. This program has been successful in both the RCE field and the Oso Pardo Field. The Company is also considering additional perforations on RCS-1 once RCE-3, RCE-4 and RCE-5 are completed and on production.

Current Production and Cash Balance

Average January Corporate production was approximately 1,800 boe/d. Short term outages due to weather at Ombu and Pepper impacted production rates.

At December 31, 2022 Arrow's cash balance was approximately US\$13 million.

2023 Capital Budget

The approved 2023 capital budget for Arrow totals US\$32 million and is to be financed from current cash reserves and operating cash flow. The capital program includes the following:

- 134 km² 3D seismic program

- 10 well drilling program including¹:

- 3 C7 wells at RCE, each expected to add initial 300-500 bbls/d net to Arrow
- 3 wells at CN, each expected to add initial 300-500 bbls/d net to Arrow
- 2 Gacheta wells at RCE, each expected to add initial 200-400 bbls/d net to Arrow
- 2 wells at Oso Pardo, each expected to add initial 300-500 bbls/d net to Arrow

- Infrastructure including:

- Road and pad at CN
- Water disposal well conversion at RCE

Total Voting Rights

The Company also announces that it has issued 2,191,555 Common Shares (the "New Common Shares") pursuant to the exercise of warrants issued at the Company's IPO in October 2021. All the New Common Shares issued during the month were issued under the Company's existing block listing.

Following the issue of the New Common Shares the issued share capital of the Company comprises 220,593,486 common shares with one vote per share. Therefore, this figure can be used by shareholders as the denominator for the calculations by which to determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

¹ expected production rates are indicative only and there is no guarantee the wells will be successfully drilled and put on production.

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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

bbls/d Barrels of oil per day

boe/d Barrels of oil equivalent per day

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