Arrow Announces IC-3, IC-4HZ, and IC-5HZ Well Results

Icaco 3, Icaco 4 horizontal & Icaco 5 horizontal successfully drilled and on production

Calgary, Alberta--(Newsfile Corp. - August 7, 2026) - 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 at the Icaco field on the Tapir Block in the Llanos Basin of Colombia where Arrow holds a 50 percent beneficial interest.

Icaco-3 Well

The Icaco 3 well (IC-3) was spud on July 2, 2026, and reached target depth on July 9, 2026. The IC-3 well was drilled, on time and under budget, to a total measured depth of 7,710 TMD feet (Total Measured Depth), or 7,622 TVD feet (True Vertical Depth) and encountered multiple hydrocarbon-bearing intervals.

Log analysis shows 18 feet of net pay in the Carbonera C7 formation ("C7"), 12 feet of net pay in the Gacheta formation and 20 feet of net pay in the Ubaque formation, for a total net pay of 50 feet TVD.

The well is currently producing from the Gacheta formation at a restricted rate, 19/128 choke and 38 Hz pump frequency, of approximately 250 BOPD gross (125 BOPD net). The oil quality is 25.3° API and there is a lower than 1% water cut.

Management considers the Gacheta production a very important feature in the Icaco discovery not only to prove reserves but also to determine the optimum way to develop the formation and maximize recovery from future wells. The results of the IC-3 production test will be reflected in reserves additions for Arrow at the next reserve report update.

Icaco-4 Horizontal Well

The Icaco 4 horizontal well (IC-HZ4) was spud on June 13, 2026, and reached target depth on June 25, 2026. The IC-HZ4 well was drilled, on time and under budget, to a total measured depth of 12,617 feet TMD or 7,297 feet TVD and encountered multiple hydrocarbon-bearing intervals.

Arrow put IC-HZ4, a short horizontal well, on production on July 2, 2026 in the Ubaque formation. The pay zone is a clean sandstone exhibiting an average porosity of 23% with high resistivities. An electric submersible pump ("ESP") has been inserted in the well after perforating. During the clean-up period the well reached a maximum rate of 799 BOPD gross (399 BOPD net) before settling into the current stable production rate of 150 BOPD gross (75 BOPD net).

Although logs are showing extended areas with high oil saturation along the horizontal section, management believes that during the completion operation ICD valves were placed too close to a water bearing zone, causing the water to overtake and reduce the oil production in the well. Management is looking at alternatives to maximize oil production efficiency in this well.

The IC-HZ4 well also encountered approximately 23 feet of net oil pay TVD in the C7 and 10 feet of net oil pay TVD in the Gacheta formation.

Icaco-5 Horizontal Well

The Icaco 5 horizontal well (IC-HZ5) was spud on July 16, 2026, and reached target depth on July 27,

2026. The IC-HZ5 well was drilled, on time and under budget, to a total measured depth of 11,914 feet TMD or 7,274 feet TVD and encountered multiple hydrocarbon-bearing intervals.

Arrow put IC-HZ5, short horizontal well, on production on August 3, 2026 in the Ubaque formation. The pay zone is a clean sandstone exhibiting an average porosity of 23% with high resistivities. An ESP has been inserted in the well after perforating. The well is still cleaning up and is producing at a current rate of 1,270 BOPD gross (635 BOPD net).

The IC-HZ5 well also encountered approximately 20 feet of net oil pay (true vertical depth) in the C7 formation.

Flow Test Results

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.

Forward Drilling Plans

Five additional cellars have been built at Icaco to continue the drilling program. IC-6 will be a vertical well with Carbonera C7, Gacheta and Ubaque targets.

Production

Including production from the IC-3, IC-HZ4 and IC-HZ5 wells, total gross corporate production is over 5,000 boe/d. Currently the CN-HZ12 well is offline whilst the workover work to restore production is underway. The well was producing approximately 330 BOPD gross (165 BOPD net) when it was shut in. Arrow has continued to shut in the Pepper gas field due to low natural gas prices in Alberta, which was producing approximately 130 boe/d when it was shut in. The Company believes that AECO gas prices will improve in the third and fourth quarter of 2026 once the region moves into the winter months. At that time the Pepper field is expected to be brought back on production.

Cash Balance

As of August 1, 2026, the Company's estimated cash balance is US$27.5 million. The Company continues to have no debt.

Tapir Extension

Arrow and its partner in the Tapir block continue to be encouraged with the dialogue with the Colombian authorities regarding the extension of the Tapir block. Arrow believes that all conditions required for the extension to be granted have been met and management remains very confident that the extension will be granted. The Company will continue to update the market on developments as they occur. Colombia elected a new President, Abelardo De La Espriella, in June. The transition to the new President will take place in August. President De La Espriella has discussed Colombia needing more oil and gas development, and Arrow is looking forward to being a part of the President's vision.

Marshall Abbott, CEO of Arrow commented:

"The success of the Icaco-3 well indicates that the Gacheta formation is able to produce commercial rates. The Icaco-4 and Icaco-5 horizontal wells had very short horizontal sections to prove the Ubaque's ability to produce from a horizontal well. Future projects at Icaco are expected to include both horizontal and vertical development wells targeting the Ubaque, Gacheta and C7. These results underline the significant hydrocarbon density that exists in the Llanos basin and more exclusively in the Tapir Block.

"Strong netbacks and successful horizontal wells support payout occurring in months. This adds significant value and materially improves our positive balance sheet. We look forward to updating our shareholders on the progress at Icaco over the coming months."

For further Information, contact:

Arrow Exploration

Marshall Abbott, CEO	+1 403 651 5995
Joe McFarlane, CFO	+1 403 818 1033

Canaccord Genuity (Nominated Advisor and Joint Broker)

Henry Fitzgerald-O'Connor	+44 (0)20 7523 8000
James Asensio	
Rory Blundell	
George Grainger	

Auctus Advisors (Joint Broker)

Jonathan Wright	+44 (0)7711 627449
Rupert Holdsworth Hunt	

Hannam & Partners (Joint Broker)

Leif Powis	+44 20 7907 8500
Samuel Merlin	

Camarco (Financial PR)

Owen Roberts	+44 (0)20 3781 8331
Rebecca Waterworth	

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.

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**").

Glossary

Pay	A reservoir or portion of a reservoir that contains economically producible hydrocarbons
ICD	Inflow Control Device

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ARROW EXPLORATION

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