

NOT FOR RELEASE, DISTRIBUTION, PUBLICATION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

**Arrow Exploration Corp.**  
("Arrow" or the "Company")

**ARROW ANNOUNCES 2022 YEAR-END RESERVES**

*BEFORE TAX NPV-10 VALUES INCREASED 97% FOR 1P AND 51% FOR 2P RESERVES,  
1P AND 2P RESERVE REPLACEMENT RATIO WAS 165% AND 164% RESPECTIVELY*

**CALGARY**, March 29, 2023 - Arrow Exploration Corp. (AIM: AXL; TSXV: AXL) is pleased to announce the results of its 2022 year-end reserves evaluation by Boury Global Energy Consultants Ltd. ("BouryGEC").

All reserves volume figures stated below are on a Working Interest Gross Reserve basis. Currency amounts are in United States dollars (unless otherwise indicated) and comparisons refer to December 31, 2021.

**Highlights**

- Proved ("1P") reserves:
  - o Increased by 11% to 3.37 million barrels of oil equivalent ("MMboe"), driven principally through uplift at Tapir (Rio Cravo), Colombia;
  - o Net present value before tax, discounted at 10% ("NPV-10") is \$57.9 million (\$17.15/boe) for 1P reserves.
- Proved plus Probable ("2P") reserves:
  - o Increased by 4% to 7.69 MMboe;
  - o NPV-10 is \$127.3 million (\$16.56/boe) for 2P reserves.
- Proved plus Probable plus Possible ("3P") reserves:
  - o Increased by 1% to 11.68 MMboe;
  - o NPV-10 is \$205.8 million (\$17.57/boe) for 3P reserves.
- Before tax NPV-10 values have increased 97% for 1P and 51% for 2P, over year-end 2021, due to reserves growth and an increase in the oil price forecast used by BouryGEC at year-end 2022. Proved Developed Producing ("PDP") reserves increased 27% to 1.31 MMboe supported by the improved performance of the new drilling in the Rio Cravo Field; PDP reserves represent 39% of 1P reserves, reflecting an attractive ratio of base production to low-risk drilling targets; and
- Before tax NPV-10 per share of US\$0.14/share, US\$0.39/share, and US\$0.63/share for 1P, 2P, and 3P reserve categories, respectively;
- BouryGEC post tax NPVs impacted by changes in Colombian tax regime in the year but pre other corporate tax shelters (further detail below).

**CEO Commentary**

Marshall Abbott, CEO of Arrow, commented: "Arrow delivered an increase in volumes and pre-tax values across 1P, 2P and 3P reserves in 2022. We are pleased with the results of the BouryGEC reserves evaluation, which reinforces the significant value of our Colombian and Canadian assets."

The BouryGEC 2022 report of course does not account for the current drilling campaign at Rio Cravo Este, where, given the encouraging results to date, we might expect further reclassifications and increase in reserves. Additionally, with the imminent drilling of the Carrizales Norte wells, we would expect to continue growing reserves in the near future.

## 2022 Year-End Reserves Summary

Management has presented below a summary of Arrow's reserves as at December 31, 2022, on a working interest gross reserves basis, which have been taken from and reconcile directly to the reserves report prepared by BouryGEC, an independent qualified reserves evaluator. The figures in the following tables have been prepared in accordance with the standards contained in the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "COGEH") and the reserve definitions contained in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). In addition to the summary information disclosed in this announcement, more detailed information will be included in Arrow's annual reserves evaluation for the year ended December 31, 2022 to be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and posted on Arrow's website ([www.arrowexploration.ca](http://www.arrowexploration.ca)).

After tax values have been calculated without taking into account the tax shelter created by capital spending on projects that do not have reserve values associated with them, such as the Tapir 3D seismic project, drilling at Carazales Norte and annual G&A. Spending on these projects will provide tax shelter and result in a reduction of tax for future.

## Brent Crude Oil Price and AECO Gas Price Forecasts in BouryGEC Reserves Evaluation

Year-End Forecast:	2023	2024	2025	2026	2027	2028	2029
Brent (US\$/bbl) - Dec. 31, 2022	\$85.00	\$82.80	\$80.50	\$82.00	\$84.20	\$85.88	\$87.60
AECO-C Spot (C\$/MMbtu)	C\$4.83	C\$4.50	C\$4.31	C\$4.42	C\$4.53	C\$4.64	C\$4.61

## Year-End Working Interest Gross Reserves - Breakdown by Category and Country (Mboe)

	2022	2021	Change	% Change
<b>Proved developed producing</b>	<b>1,319</b>	<b>1037</b>	<b>282</b>	<b>27%</b>
- Colombia assets (core)	664	287		
- Colombia assets (non-core)	178	117		
- Canada assets	475	633		
<b>Proved developed non-producing</b>	<b>26</b>	<b>362</b>	<b>(336)</b>	<b>(93%)</b>
- Colombia assets (core)	0	63		
- Colombia assets (non-core)	26	42		
- Canada assets	0	258		
<b>Proved undeveloped</b>	<b>2,032</b>	<b>1,649</b>	<b>383</b>	<b>23%</b>
- Colombia assets (core)	453	88		
- Colombia assets (non-core)	1,579	1,561		
- Canada assets	0	0		
<b>Total Proved</b>	<b>3,376</b>	<b>3,048</b>	<b>329</b>	<b>11%</b>
<b>Probable</b>	<b>4,314</b>	<b>4,373</b>	<b>(59)</b>	<b>(1%)</b>
- Colombia assets (core)	1,003	1,232		
- Colombia assets (non-core)	2,765	2,446		
- Canada assets	546	694		
<b>Total Proved plus Probable</b>	<b>7,691</b>	<b>7,421</b>	<b>270</b>	<b>4%</b>
<b>Possible</b>	<b>3,989</b>	<b>4,119</b>	<b>(130)</b>	<b>(3%)</b>
- Colombia assets (core)	2,224	1,933		
- Colombia assets (non-core)	1,513	1,828		
- Canada assets	252	359		
<b>Total Proved plus Probable &amp; Possible</b>	<b>11,679</b>	<b>11,540</b>	<b>140</b>	<b>1%</b>

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

- (1) "Core" assets include Arrow's share of reserves in the Tapir Block, the Santa Isabel Block (Oso Pardo), and Mateguafa. Arrow's 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow.
- (2) "Non-core" assets include the Ombu Block (which includes the Capella Field)
- (3) "Canada" assets include Fir and Pepper

**Year-End Net Present Value at 10% - Before Tax (\$ Thousands)**

Category	2022	2021	% Change
Proved			
Developed Producing	32,092	11,406	181%
Non-Producing	357	2,112	(83%)
Undeveloped	25,458	15,889	60%
<b>Total Proved</b>	<b>57,906</b>	<b>29,407</b>	<b>97%</b>
Probable	69,440	54,738	27%
<b>Total Proved plus Probable</b>	<b>127,346</b>	<b>84,146</b>	<b>51%</b>
Possible	78,471	49,842	57%
<b>Total Proved plus Probable &amp; Possible</b>	<b>205,817</b>	<b>133,987</b>	<b>54%</b>

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

**Year-End Net Present Value at 10% - After Tax (\$ Thousands)**

Category	2022	2021	% Change
Proved			
Developed Producing	19,509	11,170	75%
Non-Producing	269	2,112	(87%)
Undeveloped	9,092	11,705	(22%)
<b>Total Proved</b>	<b>28,871</b>	<b>24,987</b>	<b>16%</b>
Probable	28,618	33,886	(16%)
<b>Total Proved plus Probable</b>	<b>57,489</b>	<b>58,873</b>	<b>(2%)</b>
Possible	32,033	29,959	7%
<b>Total Proved plus Probable &amp; Possible</b>	<b>89,522</b>	<b>88,832</b>	<b>1%</b>

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

**Year-End Net Present Value at 10% - After Tax (\$ millions) - Sensitivity Cases**

In the context of the Brent crude oil and AECO gas prices prevailing at the time of the publication of this press release, when compared generally to the Brent crude oil and AECO gas price forecasts used in the BouryGEC Reserves Evaluation for the year ended December 31, 2022, Arrow is also providing readers with the following sensitivity analysis as to the net present value of its reserves.

Type of Sensitivity	Total Proved (US\$MM)	Total Proved plus Probable (US\$MM)	Total Proved plus Probable & Possible (US\$MM)
BouryGEC Forecast Price Case	28.9	57.5	89.5
WTI Premium of US\$10/bbl	36.5	72.7	111.2
AECO Premium of C\$0.30/MMBtu	29.2	58.2	90.3

Readers are cautioned that there is no certainty that the forecast price of crude oil or natural gas will increase as calculated by changes to the Dec. 31, 2022 BouryGEC price deck used in the Reserves Evaluation report.

**Forecast Revenues and Costs - Undiscounted (\$ millions)**

Category	Revenue (3)	Royalties	Operating Cost (2)	DC	Abandonment & Reclamation	BT Future Net Revenue (1)	Income Taxes	AT Future Net Revenue (1)
<b>Total Proved</b>	159.5	15.3	34.2	32.4	4.3	73.3	34.7	38.6
<b>Total Proved plus Probable</b>	354.0	33.3	62.9	67.4	6.9	183.6	93.2	90.4
<b>Total Proved plus</b>								

<b>Probable &amp; Possible</b>	591.2	63.2	105.7	82.1	8.2	332.0	174.3	157.7
--------------------------------	-------	------	-------	------	-----	-------	-------	-------

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

- (1) BT = Before Taxes and AT = After Taxes
- (2) Operating Cost less processing and other income
- (3) Revenue includes Petrocolco Income

#### 2021 Year-End Working Interest Gross Reserves Reconciliation (Mboe)

	Total Proved	Total Proved plus Probable	Total Proved plus Probable & Possible
<b>31-Dec-21</b>	3,049	7,421	11,541
Technical Revisions	745	395	503
Economic Factors	58	352	112
Production	(476)	(476)	(476)
<b>31-Dec-22</b>	3,376	7,692	11,680

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

#### 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 is a member of the Canadian Society of Petroleum Engineers, holds a B.Sc. in Geology from the University of Alberta and has over 35 years' experience in the oil and gas industry.

The recovery and reserve estimates provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein. In certain of the tables set forth above, the columns may not add due to rounding.

#### Cautionary Statement

This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (Mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel 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").

#### For further information, contact:

##### Arrow Exploration

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

##### Brookline Public Relations, Inc.

Sauna MacDonald +1 403 538 5645

##### Canaccord Genuity (Nominated Advisor and Joint Broker)

Henry Fitzgerald-O'Connor +44 (0)20 7523 8000  
James Asensio  
Gordon Hamilton

**Auctus Advisors (Joint Broker)**

Jonathan Wright

+44 (0)7711 627449

Rupert Holdsworth Hunt

**Camarco (Financial PR)**

Georgia Edmonds

+44 (0)20 3781 8331

Rebecca Waterworth

Billy Clegg

**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 under-exploited, 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".

**Reserves Categories**

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions which are generally accepted as being reasonable and shall be disclosed.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Proved Developed Non-Producing Reserves" are those reserves that either have not been on production or have previously been on production but are shut-in and the date of resumption of production is unknown.

"Proved Undeveloped Reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable.

"Probable" reserves are those additional reserves that are less certain to be recovered than Proved reserves but more certain to be recovered than Possible reserves.

"Possible" reserves are those additional reserves that are less likely to be recoverable than Probable reserves.

**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

Bbl/d: Barrels per day

\$/Bbl: Dollars per barrel

Mcf/d: Thousand cubic feet of gas per day

\$/Mcf: Dollars per thousand cubic feet of gas

Boe/d: Barrels of oil equivalent per day

\$/Boe: Dollars per barrel of oil equivalent

PDP: Proved Developed Producing

1P: Proved Reserves

2P: Proved plus Probable Reserves

3P: Proved plus Probable plus Possible Reserves

MMbtu: Millions btu

MMboe: Millions of barrels of oil equivalent

Mbtu: Thousands btu

Mboe: Thousands of barrels of oil equivalent

Working Interest Gross Reserves: The reserves attributable to the Company's license working interest pre-taxes and royalties

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lse.com](mailto:rns@lse.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCEAADPADEDEAA