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## ARROW ANNOUNCES UPDATE ON AB WELLS

### *AB-3 now on production*

CALGARY, February 5, 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 the operational activity at the Alberta Llanos field on the Tapir Block in the Llanos Basin of Colombia where Arrow holds a 50 percent beneficial interest.

#### **AB-1**

The AB-1 vertical well has resumed production after a weeklong shut in period for exploratory wells, which is in adherence with Colombia regulations. The well is currently producing from the Ubaque reservoir at a rate of 260 BOPD gross (130 BOPD net) of 13.6° API oil with an 80% water cut. The AB-1 well is expected to pay out in 10 months.

#### **AB-2**

The AB-2 vertical well was spud on December 25, 2024, and reached target depth on January 1, 2025. AB-2 was the second well drilled into the extreme northern limit of the Alberta Llanos field. The well was drilled to a total measured depth of 10,795 MD feet (8,846 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals.

On January 10, Arrow put the AB-2 well on production in the Carbonera formation which has approximately 18 feet of clean sandstone exhibiting an average porosity of 25% with high resistivities. The well came in structurally lower than prognosis and produced sub-economic oil rates and accordingly the well has been temporarily shut in. The Company is reviewing alternatives for this well, such as performing a recompletion in an alternative zone.

#### **AB-3**

The AB-3 vertical well was spud on January 11, 2025, and reached target depth on January 19, 2025. AB-3, targeting the extreme south of the Alberta Llanos field, confirmed the productive potential of the multi-pool field. The well was drilled to a total measured depth of 9,650 MD feet (8,801 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals. The well encountered four oil bearing sands, the Carbonera C7, Guadalupe, Gacheta and Ubaque, with approximately 96 total feet of oil pay.

On January 24, 2025, Arrow put the AB-3 well on production in the Ubaque formation which has approximately 56 feet of net oil pay. The pay zone is a clean sandstone exhibiting an average porosity of 25% with high resistivities.

The well was put on production to allow the well to clean-up and conduct proper water cut evaluation. Currently, the well is producing 580 BOPD gross (290 BOPD net) of 13.6° API oil with a 9% water cut (completion fluid and formation water). The AB-3 well is expected to pay out in 5 months.

The results from AB-3 confirm the ability to develop the Alberta Llanos field with horizontal wells. A new pad, CNC, is being prepared to drill horizontal wells to the north in the Alberta Llanos discovery and to the south, in the northern part of the Carrizales Norte field.

Initial production results are not necessarily indicative of long-term performance or ultimate recovery.

#### **Production**

Total corporate production in January was over 4,500 boe/d, exceeding the Company's forecast. Additional production operations will be initiated prior to the end of the first quarter with planned development wells in the Ubaque reservoir. Each Ubaque horizontal well has the potential to add significant production.

#### **Drilling Schedule**

The rig is currently being moved to the Carrizales Norte pad, where further development of the northern and southern areas of the field will begin by the end of February. Management plans to drill 3 horizontal wells targeting the Ubaque sands in the coming months. The rig will then be moved to the Mateguafa Oeste prospect to drill Arrow's first exploration well in that area.

Management plans to utilize a second rig in the second quarter of 2025 to bring on low risk production. Rig 2 will begin at the RCE pad to drill 4 directional, development wells. Rig 2 will then move to the Alberta Llanos prospect to begin horizontal development of the Ubaque reservoir. Management plans to drill two horizontal well in existing cellars with more wells expected to follow once cellar construction has been completed.

Later in the year the Mateguafa Attic and Capullo prospects will also be drilled.

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

The East Tapir 3D seismic acquisition program is progressing on schedule with personnel and equipment being mobilized to the field. The value added by the initial detailed 100 sq. km 3-D seismic survey on the Northern Tapir Block has transformed the Company. The East Tapir 3-D will cover another 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. Seismic crew mobilization commenced on February 4, 2025 with acquisition, processing and interpretation forecast to be completed by end of April.

#### **Cash Balance**

On February 1, 2025, the Company's cash balance was US 22.7 million.

#### **Forward Operational Reporting**

With an ever-growing inventory of targets in Arrow's portfolio and continuous development drilling in the 12 months ahead, the Company intends to report in a more comprehensive and periodic manner, in the form of quarterly operational updates. As well as reflecting the growing maturity of the Company, this will ensure that shareholders receive regular in-

updates. As well as reflecting the growing maturity of the Company, this will ensure that shareholders receive regular, in-depth summaries of the period's activities and the development of the Group's portfolio as a whole.

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

"Initial production from the AB-3 well is an exciting event for Arrow, reaffirming the horizontal development potential of the Alberta Llanos field. In addition to the thick pay zone (56 feet) encountered in the Ubaque formation, additional pay zones currently behind pipe, the C7, and Guadalupe, provide further opportunities for production and reserves increases."

The AB-2 well was a long step out that tested the northern boundary of multiple reservoirs. It has future value as a source of information on the Alberta Llanos field, a potential future producer from two other zones or a water disposal well for the Alberta Llanos complex."

"The Alberta Llanos discovery is material to Arrow and we are looking forward to the results of horizontal wells in the field which will economically develop the Ubaque reserves."

"Arrow's corporate production additions will commence prior to quarter-end once the rig mobilization is complete on a pace of one horizontal on-stream approximately every three weeks at the Carrizales Norte pad. This is an integral component of our US 50 million Board approved budget that includes drilling 23 wells in 2025."

"The East Tapir 3-D seismic program is another facet of the accretive growth to be crystalized over the coming year."

"We are excited by the potential of our low-risk portfolio in the Llanos Basin and look forward to continuing to add shareholder value via the drill bit."

**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	
George Grainger	

**Auctus Advisors (Joint Broker)**

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

**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 release 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").

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