

SPECIAL POINTS OF INTEREST:

- *Corridor will be initiating its 2010 High School Scholarship Program in May.*
- *Corridor held a Safety Stand Down in March with Production Operations and Drilling Contractors.*

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Corridor's Safety Slogan

"At work, rest and play: safety first every day."

Corridor News

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Community Liaison Committee

The Community Liaison Committee had the second meeting for 2010 on March 10. There were three Corridor representatives, one government representative, eight community members and twelve guests from the community in attendance.

Updates were given on Seismic, Production, Drilling, Completions, Health Safety & Environment (HSE) and Sponsorship.

Dena Murphy gave a presentation on Corridor's approach to Emergency Preparedness and Response as requested in the previous meeting. An Emergency Response information sheet was also sent out in the February newsletter in advance of this presentation.

Guests from the community were interested in having air monitoring done in the Penobsquis area. Cathy Dube, Department of Environment, explained the monitoring done by their Department and noted that they

have a portable unit. She suggested that if the community is interested in having monitoring conducted in Penobsquis, a formal request should be sent to the government.

An inquiry was made as to whether Corridor would have a Scholarship Program again this year. Corridor noted that it would be making scholarships available.

An inquiry was also made as to whether Corridor has an Apprenticeship Program. Corridor does not have enough staff to be able to run an apprenticeship program at this time.

The next meeting will take place on Tuesday, May 11 at 7:00 pm at the Penobsquis WI Hall. If you have any questions or would like to receive a copy of the minutes, please contact Nancy Secord at 433-3066.

Sponsorship Update

Corridor has received fourteen sponsorship requests from Penobsquis and the surrounding areas since the last newsletter. Sponsorship funding has been awarded to the following organizations: Sussex Bantam Girls Rep Team (Basketball); Sussex Cancer Support Group; Rotary Club of Sussex; and the Sussex Pregnancy Centre. Requests still under review are from: Ducks Unlimited; Poley Mountain; Dairy Town Classic; Kenebecasis Watershed Restoration (Fish Pond); Danny & Jessica Angel Foundation; Sussex Middle School; Penobsquis Community Enrichment Committee; Penobsquis Women's Institute; Penobsquis Family Fun Day; Sussex Golden Arrows; Kiwanis Nursing Home; and Crossover Youth Group.

Corridor will also be initiating its 2010 High School Scholarship Program in May. Information will be provided through the high schools.

Drilling and Completions Update

Drilling

The drilling of the L-37 horizontal well from the D-48 (Moffett) Well Pad near the McCully Gas Plant has been completed. Drilling operations ended in early April and the Nabors Rig #58 has been rigged out. The rig is currently going through some routine maintenance and inspections and will be prepared for moving to the Green Road area in late May to start the drilling program for Apache.

Corridor will not be drilling any wells in the Penobsquis area until after Apache is finished with the rig in the fall of 2010. Corridor will review its drilling plans at that time and provide updates in upcoming newsletters as information becomes available. We look forward to following the Apache operations in the Elgin area over the coming months.

Completions

Corridor is planning to commence completion operations in the early part of May on the L-37 horizontal well. A coiled tubing unit will be used for a few weeks to try to allow the well to flow. Corridor is not planning to use frac equipment to stimulate this well, unless the well does not flow at an acceptable rate. Once the well has begun to flow and is cleaned up, the gas will be sent to the nearby McCully Gas Plant for processing. We anticipate a minimal amount of flaring during this operation.

There will also be additional workovers on other wells in the field to try to improve the gas flow rate. These wells will be located on various well pads across the field. Operations will mainly be short term (1-2 days) and conducted during daytime hours. Minimal flaring and additional equipment will be required on location.

Seismic Activity Update

No seismic activities have occurred since the last edition of the newsletter.

Production Operations Update

Plant and Field Operations

The gas plant and production facilities have been operating normally over the last two months.

McCully Expansion

- There was no expansion work undertaken since the last edition of the newsletter.
- The tie-in of the D-48 (Moffett) Well Pad to connect the L-37 well may take place once the well is completed.
- Activity is scheduled for late June for a facility expansion at the McCully Gas Plant. Proposed modifications are the installation of a new inlet slug catcher and natural gas compressor. The intent of the expansion project is to optimize field production and performance.

Safety and Environment

Since the last edition of the newsletter, the Quality, Health, Safety and Environment (QHSE) Department has provided ongoing support to Corridor's operations in Penobscot as well as continued to work on the implementation of its QHSE Management System. Environmental awareness training was conducted with Corridor staff in New Brunswick. A future session will be held in Halifax for corporate staff. The QHSE Team has also been working with an outside consultant to build a Safety Leadership course for all Corridor employees. In conjunction with the Corridor's Halifax Joint Occupational Health and Safety Committee, the QHSE Department initiated a 6 month Corporate Health Challenge for Nova Scotia and New Brunswick staff that will run from April to October 2010. The intent of this Challenge is encourage healthier lifestyle choices for all participants, to provide information on good nutrition and the benefits of regular physical activity and to create a supportive culture where employees can work together to achieve improved wellness.

The QHSE Department and the Drilling Department facilitated a formal risk assessment with key personnel and contractors in advance of the 2010 drilling program. This is part of Corridor's Safety Management System and is intended to identify any hazards and risks as well as to ensure that appropriate controls are in place to mitigate these risks. Corridor also continues to encourage its staff and contractors to participate in the Hazard/Positive Observation Program and fill in the observation cards that are available at each of Corridor's sites. The completed cards are tracked by the QHSE Department. Corridor's Penobscot Joint Health and Safety Committee held meetings on March 9 and April 13. These will continue to be held on the second Tuesday of every month at the Timberland Motel at I Lam.

As mentioned in the last newsletter, Safety Stand Down events were conducted at both the Nabors Drilling Rig #58 and at the McCully Gas Plant. Both sessions were considered a great suc-



Safety Stand Down at the Corridor Gas Plant: John Comeau (Lead Operator), Steve Evans (Operator), Dean Douthwright (Operator), and Brent DeBow (EIT)

cess. The health and safety topic discussed was "Together We Will Make a Difference", which was well received by all participants. Corridor's CEO & President, Norm Miller, attended both sessions and spoke to the participants about the importance of safety. At Nabors Drilling Rig #58, other Corridor representatives included: the QHSE Manager, Dena Murphy; the Drilling and Completions Team Lead, Larry Huskins; and members of Corridor's QHSE and Drilling Departments. Nabors Drilling and Weatherford also had management representation. Contractor employees participated from Nabors, Weatherford, Atlantic Industrial Cleaners and Newalta. At the McCully Gas Plant, in addition to Norm, the QHSE Manager, Production Operations Manager, Doug Bailey, and employees from both the QHSE and Production Departments attended.

The QHSE Manager as well as other key Corridor personnel have been working with Corridor's partner, Apache Canada Ltd., and participating in planning meetings for the shale gas work Apache is starting in the summer in the Elgin area. Corridor representatives also attended an Open House sponsored by Apache at the Elgin Community Hall.

In addition to the New Brunswick work, the QHSE Department has been involved in planning for an offshore geohazard survey on the Old Harry prospect in the Gulf of St. Lawrence and has also been conducting preliminary QHSE planning for Anticosti Island drilling.

Corridor is pleased to report that there have been no environmental incidents or injuries related to any of its field operations since the last edition of the newsletter.



Safety Stand Down at Nabors Drilling Rig # 58: Corridor Resources, Norm Miller (President), Dena Murphy (QHSE Manager), and Larry Huskins (Drilling & Completions Team Lead)

Upcoming Activities

- The next newsletter will be published on June 30, 2010.
- The next meeting of the Community Liaison Committee is scheduled for Tuesday, May 11, 2010 from 7:00-8:00 PM at the Penobsquis WI Hall.
- The next McCully Joint Health and Safety Committee meeting is scheduled for May 11, 2010 from 11:00 AM to 1:00 PM at the Timberland Motel.
- The QHSE Manager is attending the Enform Petroleum Safety Conference in Alberta during the week of May 3.

Contribution from the Penobsquis Family Fun Day Organizing Committee

Mark June 19 on your calendar for the 4th Annual Penobsquis Family Fun Day. The Committee has a full day of fun and entertainment planned. Plans are underway to organize and bring back the canoe race. This was a very popular event in Penobsquis several years ago so dust off your canoe and polish your paddles and get ready to race down the river. The Committee is also making plans for our first ever Penobsquis Ball Hockey tournament. RC racing (battery-operated cars) is a new event for teams this year. The Frog Jumping contest is back again this year – Note: no frogs have ever been harmed during this event! Details will follow on these and other events so watch for the flyer on Fun Days in early June. Contact Ed Murray (433-3298) for further information.

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We want to hear from you!

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Corridor Resources is a Halifax, Nova Scotia based company focused on exploring and developing natural gas resources in the McCully Field and surrounding areas of southern New Brunswick. The Company has been producing natural gas from the McCully Field to markets through the M&NP pipeline since June 28th, 2007. Corridor also has a number of potentially high impact exploration projects planned in New Brunswick and elsewhere in eastern Canada with a total of 1.9 million net acres under license.

Corridor Mission Statement

Corridor Resources is focused on the exploration and development of oil and gas in eastern Canada. Corridor is dedicated to safe work practices, environmentally responsible operations and the highest level of business integrity. With a strong leadership team supported by devoted employees and contractors, Corridor aims to create shareholder value by expanding its reserves and production while fostering successful partnerships in the communities in which we live and work.