



SPECIAL POINT OF INTEREST:

- *Corridor announced on December 7th, 2009 that it entered into a Farmout Agreement with Apache Canada to explore and potentially develop oil and gas resources in Southern New Brunswick (See Page 5).*

INSIDE THIS ISSUE:

Happy Holidays	1
Community Liaison Committee	2
Sponsorship Update	2
Drilling and Completions Update	3
Map showing 2010 McCully Drill Plans	4
Seismic Activity Update	5
Production Update	5
Safety and Environment Update	5
Corridor/Apache Agreement	6
Upcoming Activities	6

Corridor's Safety Slogan

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

Corridor News

VOLUME 3, ISSUE 6

DECEMBER 31, 2009



The Staff of Corridor Resources wishes you and your family a Wonderful Holiday Season!



First Winter Storm of 2009, photo taken along the Dunsinane Road, Penobsquis, NB.

Community Liaison Committee

Corridor Resources would like to thank all of the Committee Members for their participation in the Community Liaison Committee. Your input over the last three years has been greatly appreciated and we look forward to your involvement in 2010.

The Community Liaison Committee had the fifth meeting for 2009 on November 3rd. There were four Corridor representatives, five community members, one Department of Environment member and two guests from the community in attendance.

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

There was a suggestion to have our well pad signs updated to include a no hunting message.

Paul Durling, Corridor's Chief Geophysicist, gave a very informative presentation on the Micro-seismic Monitoring Project that was completed in the McCully field in the early fall, (more details provided under Drilling and Completions).

The next meeting will take place on Tuesday, January 12th at 7:00 pm at the PENOBSQUIS FIRE DEPARTMENT (please note location change for winter months). If you have any questions or would like to receive a copy of the minutes, please contact Nancy Secord at 433-3066.

Sponsorship Update

Since the last newsletter, Corridor has donated funds to the following organizations: The Sussex Sharing Club (both Christmas hampers and the food bank); Sussex Corner Elementary (listening centers for the students); and the Sussex Elementary School (warm garments for the Olympic Event).

Corridor is committed to providing sustainable benefits and building lasting relationships with the communities in which we operate. Corridor supported 27 organizations in 2009, with over \$95,000 in sponsorship being donated to Penobsquis and the surrounding areas. Corridor was pleased to be able to continue its support of the local community.



Presentation of a new rag cutting machine to the Crosswinds Occupational Activity Center. Left to Right: Vanessa Palmer, Doug Bailey (Corridor Production Operations Manager), Cathy Fisher (Crosswinds President of Board of Directors), Ed McPhee.



Students and Staff of Sussex Elementary School during Olympic Torch Event.

Drilling and Completions Update



Drilling

Corridor Management is in the process of finalizing the 2010 Drilling Plan. Drilling is anticipated to start in late January in the Penobscus Valley. The large triple drilling rig, Nabors Rig #58, will be performing this drilling activity on a new well pad to be constructed at the top of Dunsinane Hill near the existing I-39 well pad (Folkins). The new well pad will be accessed via the same road off the Marvin Farm Road that was used last winter for the existing I-39 well pad. A short extension will be built to this road to allow access to the new well pad which will be west of the existing pad by approximately 1.5 km. Our goal is to minimize traffic on the Dunsinane Road, especially during the winter driving season. The regulatory applications to construct this new pad have been submitted and we are waiting for approval before commencing construction of the well pad and moving the drilling rig. Two to three

wells are anticipated from this new pad.

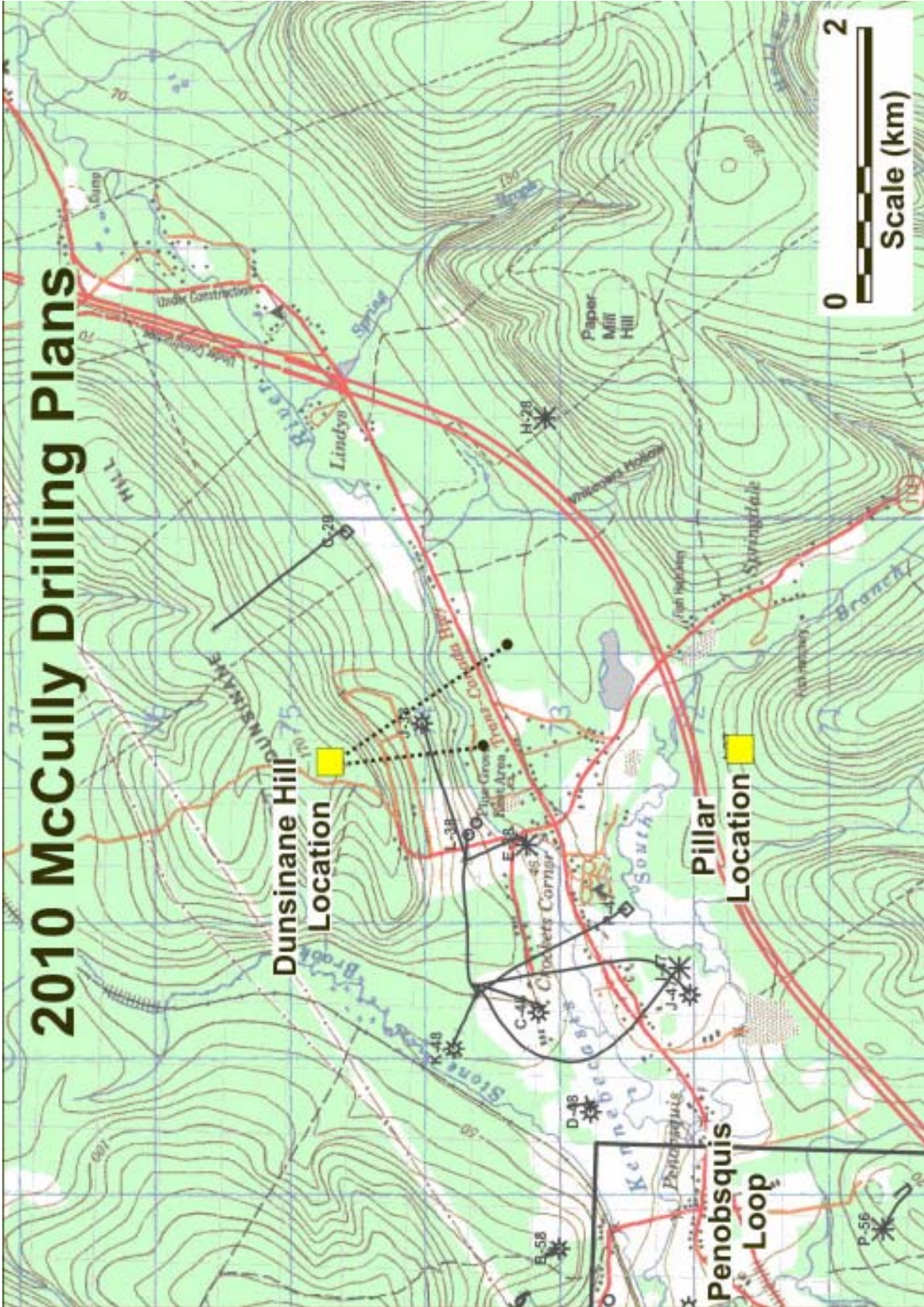
Another new well pad mentioned in the previous newsletter that is planned for the south side of the #2 Trans-Canada Highway has been submitted for regulatory approval. This new well pad will be accessed via the service road along the south side of the highway and the gravel road used to access the Moffett Hog Farm and Nursery.

As well, Corridor still plans to drill an exploration core hole well near Creek Road, New Brunswick (approximately 20 kilometers north of Penobscus) using a small core drilling rig, similar to the ones that PCS uses for some of its core holes in the Penobscus area.

Completions

Fracking and completions operations in the McCully area have been completed for 2009 and Corridor presented some of the results of our recent micro-seismic or fracture monitoring program at the Community Liaison Committee Meeting in November. The Committee members received a presentation that showed the location of the fracturing deep in the earth and highlighted that the fractures generated by the pumping of the fluid down the well bore are contained within the reservoir at over 2400 meters deep. This information clearly demonstrated that there is no surface impact from the fracking operations at these tremendous depths.

We have also completed our fracking and testing operations at the Green Road G-41 well (Smith) near Elgin. As evident from the various press releases over the past 6 to 8 weeks, Corridor is pleased with the results from the LPG fracking operations conducted in two of the shale zones in the well. The well will be suspended with the valves closed and locked until the well can be produced at some time in the future, once surface facilities including a pipeline are installed.



Seismic Activity Update

There were no seismic activities during this period.

Production Update

Plant Operations

- The gas plant and production facilities operated normally over the past two months.
- Work continues on a number of plant process enhancements.
- Expansion of the Corridor Penobsquis office is nearing completion.

McCully

- Site grading and gravelling on the G48 well pad has been completed. Fencing and final clean up will be done in the spring.

Safety and Environment

Corridor provides a Health, Safety and Environment (HSE) Site Orientation to all personnel who enter Corridor work sites. The purpose of the orientation is to communicate to all individuals and contractors the importance of working in a safe and environmentally responsible manner, to highlight Corridor's minimum HSE requirements and to outline any hazards associated with the site. In 2009, Corridor conducted over 500 orientations. In anticipation of the New Year and in the interest of continuous improvement, the QHSE group has updated the HSE Site Orientation booklet. A reminder to all that this HSE Site Orientation is required annually and should be conducted as early as possible in 2010.

In late October and November, Corridor continued the implementation of its QHSE Management System with training of its staff. In early November, AMEC Earth and Environmental conducted Environmental Awareness training with key Corridor staff and managers. In late October and mid November, Emergency Response training was conducted with the Production staff and First Responders in Penobsquis and with the corporate staff in the head office in Halifax. The Emergency Response training sessions are conducted at a minimum annually to allow Corridor's Emergency Response Team members to practice their roles, the procedures to be followed, and integration with First Responders during emergencies. Several areas of improvement were identified and Corridor is in the process of updating its Emergency Response Manual.

The QHSE group has been providing ongoing HSE support for the Drilling and Completions group. Representatives from the QHSE Department were involved with the successful kick-off meeting for the completions work in the Elgin area. This meeting involved many contractors and a

few people from the Elgin area. During the completions activity at the G-41 well site, several local residents stopped by the Medic/Site control trailer to ask questions. The Medic on-site, Jeff Mitton, who was also previously a resident of the Elgin area, provided an explanation of the activities to the residents. The QHSE group conducted, in conjunction with AMEC Earth and Environmental, environmental reviews of Corridor's new proposed well pads in the Penobsquis area and provided input to the regulatory applications for the new well pad construction. QHSE worked with AMEC Earth and Environmental to develop a Site Rehabilitation Plan for the decommissioning of the Mapleton well pad and the return of the land back to the landowner. This Plan has been submitted to the NB Department of Environment for approval. Work is anticipated to begin in the spring.

Unfortunately, despite best efforts by Corridor and its contractors, three incidents occurred since the last newsletter - 2 accidental releases and one Lost Time Injury. Although the two environmental releases involved small volumes of material that were contained on the well pad, Corridor treats all releases seriously. The spilled material was cleaned up and sent to a New Brunswick Department of Environment approved disposal facility. The first accidental release involved a pressure safety valve (PSV) on a piece of contractor's equipment which had opened and resulted in a spill of 20 litres of glycol onto the G-41 well pad. The second accidental release involved a contractor's skid mounted piece of hydraulic equipment resulting in spill of 1 litre of hydraulic fluid onto the L-38 well pad. The Lost Time incident occurred at the Corridor Penobsquis office when a construction contractor slipped and bruised his back.



Corridor Enters into Farmout Agreement with Apache Canada

On December 7th, Corridor announced through a Press Release that it entered into a farmout agreement with Apache Canada Ltd. for exploration and potential development of oil and natural gas resources in the Frederick Brook shale formation and at the recent Caledonia oil discovery. Apache has committed to an appraisal program (any combination of seismic, drilling, fracturing, testing and completing or abandoning one or more horizontal or vertical wells) to be conducted over the next 18 months at a cost of not less than \$25 million. Upon completion of this Program, Apache has the option to conduct a further program to be completed by March 31st, 2013, with an expenditure of not less than \$100 million. The agreement with Apache excludes the McCully Field area, where Corridor will continue to be the Operator. More details are available on Corridor's website, under the related Press Release. Corridor is very excited about this partnership with Apache and the resource potential of Southern New Brunswick.

Upcoming Activities

- The next newsletter will be published on February 28th, 2010.
- The next meeting of the Community Liaison Committee is scheduled for January 12th, 2010 from 7:00-8:00 PM at the **PENOBSQUIS FIRE DEPARTMENT**.
- The next McCully Joint Health and Safety Committee meeting is scheduled from 11:00 AM to 1:00 PM on January 12th, 2010 at the Timberland Motel.



#301, Cornwallis House
5475 Spring Garden Road
Halifax, Nova Scotia B3J 3T2
Phone: 1-888-429-4511
Fax: 902-429-0209

We want to hear from you!

Please send any suggestions or comments to:

Dena Murphy
Quality, Health, Safety & Environment Manager
Phone: 1-888-429-4511, Ext. 2237
E-mail: dmurphy@corridor.ca

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.