

about corridor resources inc.



bringing  
energy  
to *life*

Corridor Resources is a resource company that has been engaged in the exploration, development and production of oil and natural gas onshore in New Brunswick, Prince Edward Island, Quebec, and offshore in the Gulf of St. Lawrence for more than 13 years. We are dedicated to the

discovery of new oil and gas resources, the safety of our employees, the community around us, and the environment, as we continue to explore and develop these resources in Eastern Canada.

Established in 1995, Corridor Resources is headquartered in Halifax, Nova Scotia and has a production office and gas plant in Penobscus, New Brunswick, near Sussex. We directly employ approximately 30 people.

Corridor Resources drilled its first onshore natural gas discovery well at the McCully Field in September 2000. Since that time, Corridor has drilled more than 35 wells in the area which have encountered natural gas. In June 2007, the McCully Gas Plant became operational. Corridor currently produces gas from the McCully Field to markets in the Maritimes, and to New England through the Maritimes and Northeast Pipeline. Corridor continues to connect wells to the system as new resources are found.

The oil and natural gas industry is contributing to a strong Maritime economy. The potential exists for this industry to continue to grow and prosper in the future – creating jobs, opportunities for local people and businesses, and growth in research and development, education, and training. At Corridor Resources, we are passionate about what the future holds and hope to use our expertise to uncover nature's potential in Eastern Canada.

## ABOUT OUR COMPANY

### PRODUCTION:

- McCully Gas Plant operational – June 2007
- Production of sweet gas (no acid gases, e.g., no hydrogen sulphide or carbon dioxide)
- Gas plant capacity – 35 million cubic feet of gas per day
- Average rate of gas production – 21 million cubic feet of gas per day
- Number of producing wells – 26
- Length of gathering system pipeline – 14.1 km
- Length of transmission pipeline – 48.7 km
- Gas plant designed for low emissions/noise and minimal visual impact
- Fully automated safety systems
- Gas plant remote monitoring capability
- High gas plant reliability (greater than 98%)

### DRILLING & COMPLETIONS:

- Total number of wells drilled – 39 in Penobscus area (McCully Field) and 3 in Elgin area
- Deepest well drilled – 4130 m
- Total length of holes drilled in New Brunswick (for all wells) approximately 130 km

### SEISMIC:

- Land (2-D) seismic data – 15 programs – 997 km total
- Land (3-D) seismic data coverage – 4 programs – 132 km<sup>2</sup> total
- Marine seismic – 3 programs – 1880 km total



# exploration and production developing tomorrow's gas resources today.



At Corridor Resources, we love what we do and are committed to conducting all our operations in a safe and environmentally responsible manner for employees, residents and our host communities. The oil and gas industry is a highly technical business. Highly skilled personnel operate modern seismic, drilling, completions and production equipment and systems. They are trained and certified to comply with rigorous company, industry and regulatory procedures that address health, safety, environmental protection, operations and emergency prevention and response.

While onshore exploration and development is relatively new to most of Eastern Canada, it has occurred for decades throughout North America. With the demand for oil and gas increasing, exploration is expected to increase in the future.

## HOW WE DISCOVER NEW RESOURCES - SEISMIC SURVEYING

Seismic surveying is an essential part of exploring for oil and natural gas. Onshore seismic acquisition is conducted by creating sound waves in the ground along a predetermined line, using an energy source. This is either done by small explosive charges set off in shallow holes or by large vehicles equipped with heavy plates that vibrate on the ground. The sound waves travel into the earth, are reflected by layers of rock, and return to the surface where it is recorded by receivers called geophones - similar to microphones. From this, a geophysicist can map rock layers and irregularities, and predict where oil or gas may be trapped in sufficient quantities for further exploration activities. Then, an appropriate surface location is selected for drilling.

## DRILLING

Once a preferred site is selected, it is surveyed to determine if there are any physical and/or environmental constraints and impacts.



Lease agreements, titles and right-of-way access for the land and associated access road must be obtained from the land owner. Regulatory approvals must also be obtained.

Once lease agreements are in place and regulatory approvals obtained, the land is cleared, leveled and graded to create a well pad upon which the drilling rig and equipment are placed (pictured left). The drilling rig is installed on the well pad as well as tanks, accommodation trailers and other equipment. Once the rig is set-up, the drilling operations start. First, a shallow, surface hole is drilled to a pre-set depth of approximately 304.8 m. Steel casing (pipe) is cemented in place to secure the hole to prevent it from collapsing and to protect the groundwater. Drilling is completed in stages where a progressively deeper hole is drilled through the previous pipe (smaller drill bit and hole) and more steel pipe cemented in place until the final well depth is reached. After the drilling process is finished, the well is evaluated to determine if hydrocarbons (oil or natural gas) are present in a significant and commercial quantity.

## COMPLETIONS

Once it is determined that natural gas or oil exists, the well will be completed/outfitted to tap into those hydrocarbons. The reservoir zones that are deep in the earth are opened to flow through the small tubing that is installed in the well. Usually, in the McCully Field, the reservoir would need to be hydraulically fracture stimulated ("fraced"), to allow the oil or gas to flow freely to surface. Once the well is flowing, it is piped into the production system and then transported to market.

## PRODUCTION

The raw gas obtained from the ground contains other components (water, condensate and methanol) – some are naturally occurring and some come from our drilling, completions and production activities – that must be removed to meet the specifications required for shipping and selling to markets.

Corridor uses its McCully Gas Plant to process the raw natural gas obtained from the wells. The processing involves removing the heavier hydrocarbon components (condensate) and a water methanol mixture by cooling the natural gas to the point where these components condense and are separated from the gas stream in equipment called separators. The water methanol mixture is further processed in another piece of equipment called a methanol regenerator which separates the methanol from the water.

The water is shipped to a disposal facility, the condensate is shipped to a refinery where it is used for feed stock, and the methanol is reused again in Corridor's operations. The gas is then transported via Corridor's transmission pipeline to connect with and be transported by the Maritimes & Northeast Pipeline to markets.

# health, safety & the environment

## safety first. safety foremost.



Corridor Resources is committed to providing a healthy, safe and productive workplace and to protecting the health and safety of all individuals

affected by our operations. We approach our business with the health and well-being of our employees and the community as a top priority.

The implementation of our Health & Safety Policy ensures that safety is fully integrated with operations and that work is completed according to the rules and regulations. The policy is founded on two core principles:

- Safety is a shared responsibility and we all must build safety into our work habits and processes every day.
- As a company we will strive for continuous improvement in the area of health and safety.

Our Safety Program focuses on accident prevention, safe work practices and emergency preparedness and response. We ensure appropriate safety measures and procedures are in place at all times and that employees have the equipment, tools and training needed to conduct their jobs safely.

Some examples of program activities include:

### FIELD HEALTH, SAFETY AND ENVIRONMENT (HSE)

**ORIENTATIONS** – All personnel who work or visit our sites are required to participate in a Field HSE Orientation. The orientation provides Corridor with an opportunity to communicate HSE expectations and requirements, and discuss the importance of HSE.

**JOINT HEALTH AND SAFETY COMMITTEE** – A Joint Health and Safety Committee was formed in 2008 in New Brunswick for Corridor and its contractors to come together to discuss safety issues and field operations.

**SAFETY STAND-DOWN** – We regularly conduct Safety Stand-Down events where senior management visits frontline workers at the worksites and talks to them directly and informally about safety issues.

**EMERGENCY RESPONSE TRAINING** – We conduct annual emergency response training and table top exercises in our Nova Scotia and New Brunswick locations. New Brunswick exercises are conducted in conjunction with First Responders.

Our health and safety success depends on positive actions at all levels within Corridor and our contractors. We are committed to safety excellence.

# our environment. our future.



We recognize the value of nature and the need to manage natural resources wisely. Corridor is committed to conducting all of its activities in an environmentally

responsible manner and will promote employee, contractor and public awareness about environmental issues. Further, we will share information and seek input from the local communities where we operate, and work with government and other bodies to develop environmental and energy policies.

Our Environmental Policy is founded upon three core principles:

- The protection of the environment is the responsibility of each individual at Corridor.
- All activities undertaken by Corridor will be executed in compliance with applicable environmental laws and regulations.

- Sustainable development can be achieved only through the prudent and respectful use of natural resources.

Our Environmental Policy is communicated to all employees and personnel working on our sites. It is a fundamental condition governing all of our operations. We ensure everyone can contribute to Corridor's commitment to environmental stewardship and protection by integrating environmental considerations early into decision making. This allows employees to identify, and mitigate potentially negative environmental consequences.

Beyond our employees, we look to engage in proactive consultation and actively distribute information on the environmental aspects of our business activities to people in the local communities.

Corridor Resources is committed to achieving environmental excellence and continuous improvement.

# corridor in the community building our future. together.

Corridor Resources believes Eastern Canada is the best place in the world to live and work, and we strive to be good corporate citizens and great neighbours. Our philosophy is focused on building and maintaining positive relationships with residents, communities and other stakeholders near our operations. We are committed to enriching our host communities and creating opportunities for future generations to share our pride and passion.

In seeking ways to engage employees and members of the community, Corridor Resources' Community Liaison Committee in Penobscis was created as a forum to share valuable insight, knowledge, information, and talk about our operations, safety, and environmental issues. We also distribute community newsletters and host open houses.

Corridor fosters partnerships at both the corporate and local levels, and is dedicated to being a "neighbour of choice." We are proud of the investments we provide through our Community Sponsorship Program, which includes high school scholarships. We have supported over 30 organizations in the community since the program was initiated. Our support is not only achieved through sponsorship and donations of money, goods and services, but also through employee volunteerism.

The purpose of Corridor Resources' Community Sponsorship Program is to enhance the quality of life in the communities where we operate. The program has four primary areas of focus:

## ADVANCING EDUCATION

We are committed to supporting programs and activities that enhance the educational pursuits of students.

## BUILDING A HEALTHY COMMUNITY

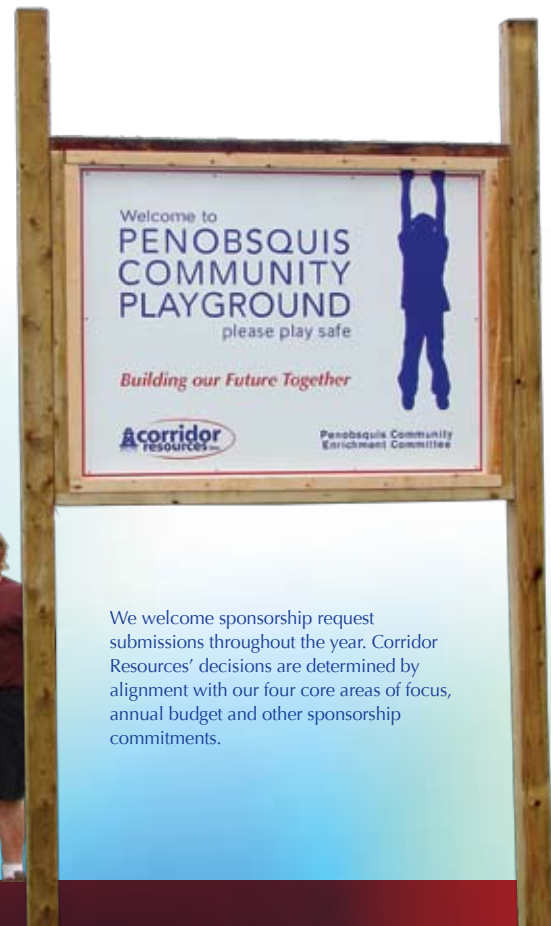
We are committed to contributing to the health and well-being of our community.

## SUPPORTING ARTS, CULTURE AND RECREATION

We are committed to positively impacting the communities that host Corridor through Arts, Culture and recreational pursuits.

## FULFILLING ENVIRONMENTAL NEEDS

We are committed to reducing the impact of our activities on the environment, as well as programs and activities that encourage sustaining the environment.



We welcome sponsorship request submissions throughout the year. Corridor Resources' decisions are determined by alignment with our four core areas of focus, annual budget and other sponsorship commitments.