



Corridor News

SPECIAL POINTS OF INTEREST:

- *Part I of the educational Oil and Gas Primer Series*
- *Penobsquis Family Fun Day Announcement*
- *Corridor's Call Before You Dig Information*

VOLUME 5, ISSUE 2

APRIL 30, 2011

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Community Liaison Committee

The Community Liaison Committee held a meeting on April 12, 2011. There were three Corridor representatives, one government representative, two community members and five guests from the community in attendance.

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

There were no outstanding Action Items from the last meeting.

A question was raised about well pad signs. It was requested that Corridor include the no hunting warnings on any new well pad signs. Currently all well pads have the red circular discs on them that indicate "No Hunting". This request will be considered when the signs are replaced.

The next meeting will take place on Tuesday, September 13, 2011, 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 received twelve sponsorship requests from Penobsquis and the surrounding areas since the last newsletter. Sponsorship funding was awarded to the following organizations: Sussex Junior Boy's Golf Team; Community Capital Project; Sussex Corner Elementary; Sussex Rotary Club; Sussex Pregnancy Care Centre; and Sussex Mental Health Services.

Requests are still under review from the following organizations: Ducks Unlimited; Belleisle Community Pool Association Inc.; Sussex Middle School; Sussex Classics Bantam A Girls Basketball; Atlantic Balloon Fiesta; Havelock Lions Club; and Penobsquis Family Fun Day.

Corridor Scholarships

The deadline to submit an application for consideration for a Corridor Scholarship is May 15, 2011. Applications should be forwarded to:

Nancy Secord
12317, Route 114, Penobsquis, NB
E4G 2X9
Or faxed to: (506) 433-8626

Corridor's Safety Slogan

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

Sponsorship Update, continued



Corridor makes a donation to the Community Capital Project for the Sussex Regional High School Theatre renovations. Doug Bailey, Production Operations Manager for Corridor pictured with Phyllis Corbett.



Corridor made a donation to the Penobsquis Volunteer Fire Department (PVFD) toward the purchase of a Jaws of Life System. Pictured above are members of the PVFD.



Steve Evans of Corridor training members of the Penobsquis Volunteer Fire Department in the use of new gas detectors provided by Corridor.



Corridor helps Sussex Corner Elementary purchase a Smart Board. Pictured right are Mrs. Scott and her class with Doug Bailey.

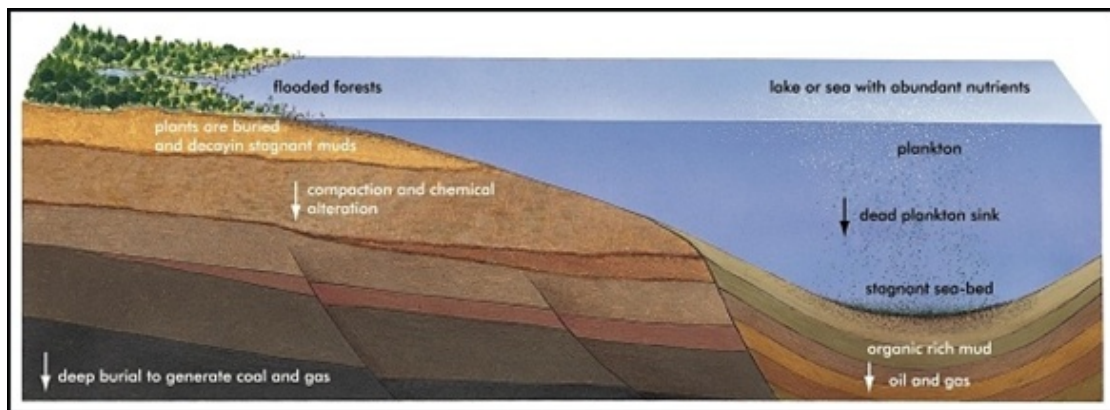
Part 1: Introduction to the Oil & Gas Industry by Don LeBlanc, Chief Reservoir/Production Engineer

This is the first instalment of a number of short articles intended to explain the different disciplines that make up the Petroleum Industry. The intent is to present general articles on different topics from the following areas:

- Exploration Technology
- Geology / Geophysics
- Field Development
- Petrophysics
- Well Construction: Drilling and Completion
- Reservoir Technology
- Production Technology

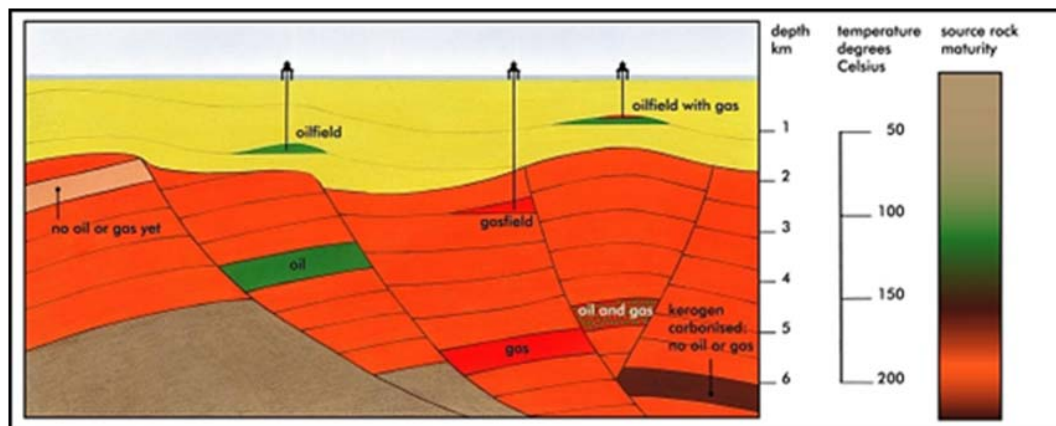
The purpose of these articles is to build an understanding of what oil and gas exploration, development and production is comprised of and to present the technical aspects of the petroleum industry in terms that everyone can understand.

The word petroleum means “rock oil”. The word comes from the Greek word ‘petra’ meaning rock and ‘oleum’ meaning oil. Petroleum is comprised of hydrogen and carbon molecules – hence the term hydrocarbons. Petroleum comes in two forms: liquid (crude oil) and gaseous (natural gas). Oil and gas are hydrocarbons that were formed underground from the remains of plants and other organisms between layers of sediment that were deposited around 200-300 million years ago.



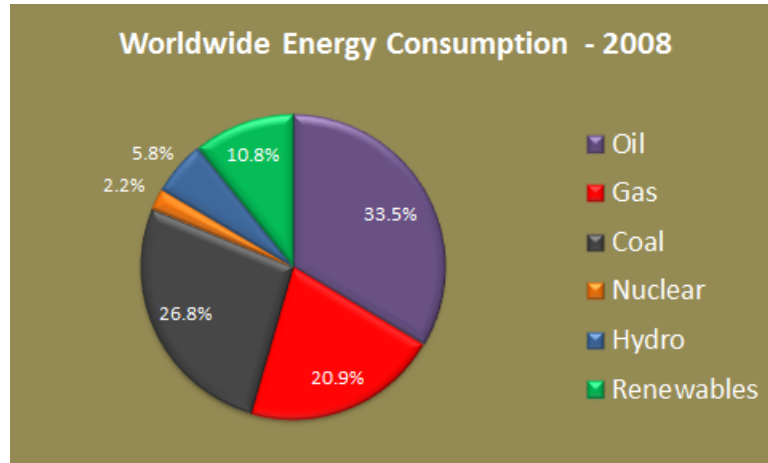
The hydrocarbons gradually seep through porous rock until they reach an impervious layer and become trapped forming an accumulation of oil or gas. Oil and gas accumulations typically exist between 1km and 6km underground and are located on-shore and offshore in many areas of the world.

When an accumulation is found, wells are drilled and the oil and gas is produced to surface.

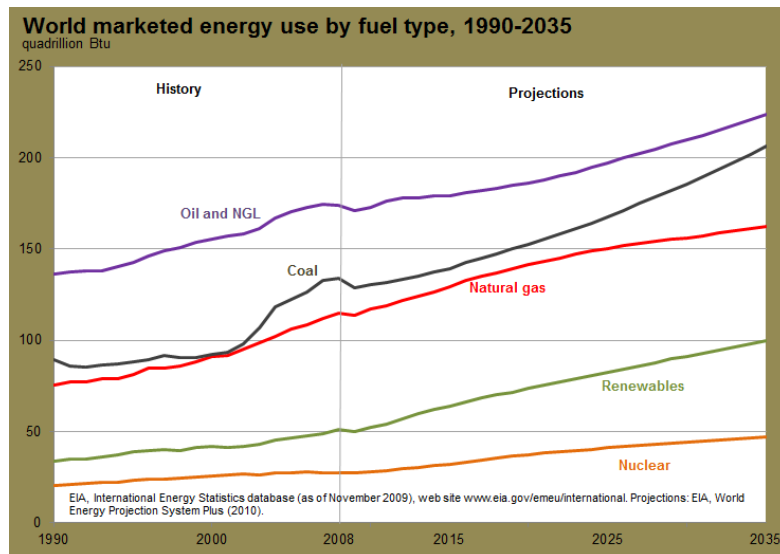


Part 1: Introduction to the Oil & Gas Industry, continued

Oil and gas supplies more than 50% of the energy consumed throughout the world.



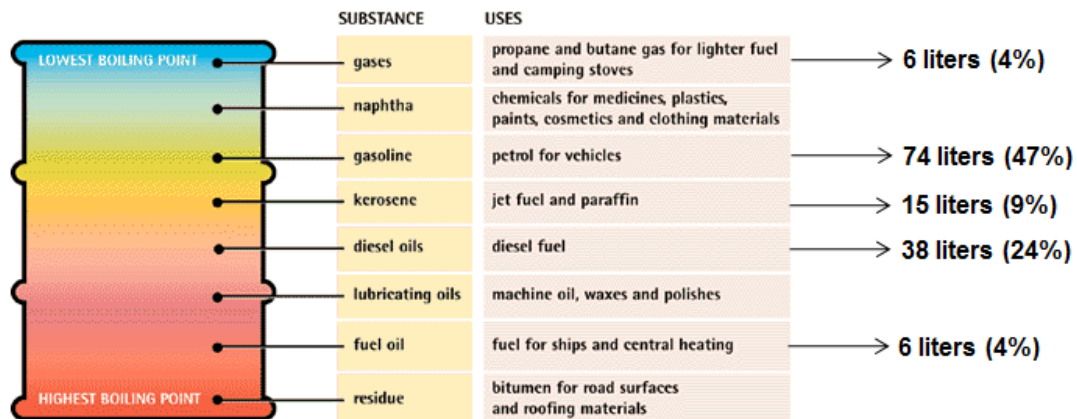
All forms of energy consumption are forecast to continue increasing.



Renewable energy will increase, but oil and gas will continue to be a major component of the energy mix.

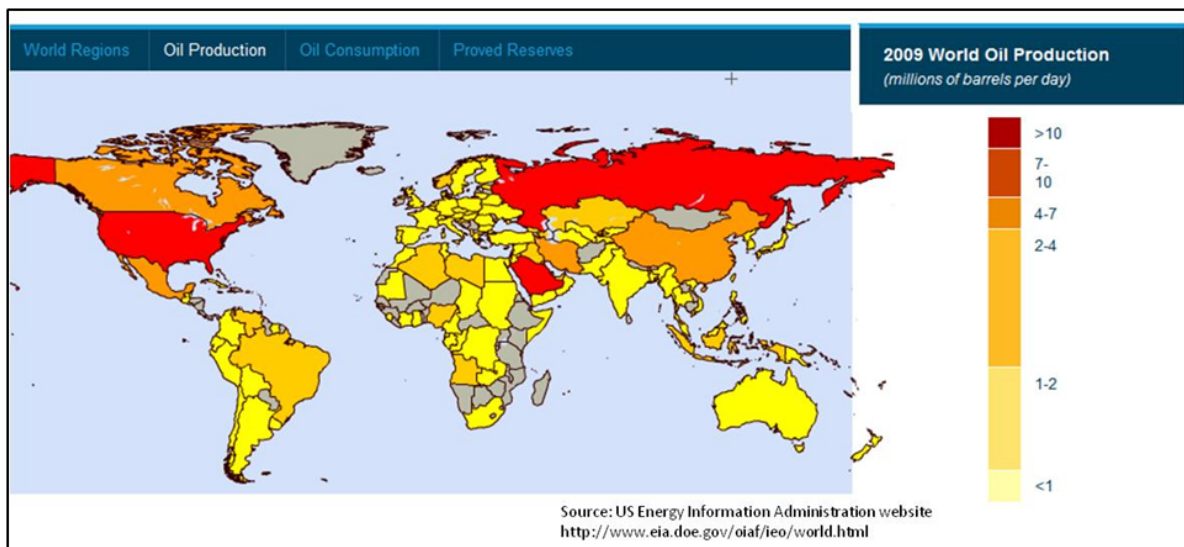
Part 1: Introduction to the Oil & Gas Industry, continued

A barrel of crude oil is equivalent to 159 litres (42 gallons). Most crude oil is relatively high in naphtha, which is used for making plastics. A typical barrel of crude can be processed, or refined, to yield the following:



By far, the largest products from a barrel of oil are gasoline and diesel, which are used in the transportation industry. Assuming that a barrel of crude oil costs \$100, then the base cost of one litre of gasoline would be \$0.63 (\$2.40/gal) prior to any processing costs, costs to get the gasoline to the dealer, dealer costs and government taxes.

The largest oil producing areas of world are the United States, Russia and the Middle East.



Canada is the sixth largest oil producing country in the world. In 2008, it produced an average of 2,750,000 barrel/day of crude oil, heavy oil and natural gas liquids (condensate). Of that amount, 45% was conventional crude oil, 49.5% was heavy oil from the oil sands, and 5.5% was condensate from natural gas wells. Most of the Canadian petroleum production, approximately 1,780,000 bbl/d (65%), was exported, almost all of it to the United States. Canada is the largest single source of oil imports into the United States.

Note: People are encouraged to send any requests for topics to be addressed by the Chief Reservoir/Production Engineer to Corridor via email at info@corridor.ca or by calling toll free at 1-888-429-4511. All questions will be addressed in future articles.

Seismic Update

Corridor is continuing to work through the government approval process for an application to collect seismic data in the Cornhill area. Corridor has investigated the potential to locate the seismic line in several locations, however, the proposed location of the seismic line allows Corridor to compare the seismic data to a well drilled in 1973 by the New Brunswick Department of Natural Resources to explore the potential for salt. The well is called Cornhill No. 3, and as the name indicates, it is the third well to be drilled in the area. The first two wells were drilled in 1947 by the New Brunswick government hoping to intersect salt. Salt springs were identified adjacent to Salt Springs Brook and were reported to the scientific community as early as 1930.

The Cornhill No. 3 well drilled through 786 m of sandstone and siltstone before encountering 108 m of salt. Beneath the salt, the well drilled through a mixture of siltstone, mudstone and minor amounts of salt. The total depth of the well was 944 m. Geological information from a well such as the Cornhill No. 3 well is very important for the interpretation of the seismic data, because well information helps identify which rock layers can be related to the seismic data. Corridor selected the location of the seismic line so that it will pass through the Cornhill No. 3 well and provide valuable subsurface geological information for the seismic line.

It is of interest to note that no shale-gas rocks were encountered in the Cornhill No.3 well. Therefore, if there are shale rocks present in the area, they may occur at a depth greater than the total depth of the well (944 m). Corridor may, or may not, find geological formations of interest in the Cornhill area upon completion of the seismic program. It is important to remember that seismic is exploration, and it is difficult to predict what you will find when you explore.

Drilling and Completions Update

Drilling

Corridor expects to resume drilling at the McCully Field when natural gas prices begin to recover, which we anticipate will be in late 2011 or early 2012. Corridor intends to finalize its 2011 Capital program after receiving Apache's proposed plans for potential further activity in the Elgin area. Corridor will provide updates on this decision in the upcoming newsletters.

In addition, Corridor is considering drilling the Sally's Brook corehole, located near the Lewiston Road north of McCully and west of Cornhill, subject to the result of discussions on the renewal of this licence and to the finalization of the company's 2011 Budget. This shallow corehole will test the geological structures in the local area and the it will be logged with wireline tools and possibly cored to recover

samples of the rock. Once this evaluation is complete, the corehole will be abandoned according to best industry practices as well as the Provincial Drilling Regulations. This would include the placement of cement in the corehole and cutting the pipe several meters below ground level and returning the site to a condition equivalent to its previous state. Hydraulic fracture stimulation (fracking) is not planned, as the key objective of this corehole is to determine the characteristics of the deeper rock formations in this area. If interesting rock characteristics are identified, there may be additional drilling south of this location closer to the McCully field to continue the exploration process. The expected commencement date for drilling this corehole has not been determined at this point in time.

Completions

There will be ongoing well testing activities on the G-36 oil well (Landry well pad) through early May to further evaluate the potential of this oil discovery made in 2009. As well, there will be other small workover activities taking place periodically across the McCully field in the upcoming months. Most of these activities will be very short in duration with minimal to no flaring planned as these well are already tied into the McCully Gas Plant.

Production Operations Update

Production Operations are running normally with minor plant upgrades completed on an ongoing basis.



Instrument Technician Steve Evans conducting a well site inspection of the safety equipment on the D-48 well located on the D-48 well pad.

Safety and Environment

The QHSE Team continues to support corporate initiatives and field operations. Our Production Operations Group in New Brunswick has overcome a tremendous winter season with extremes in both temperature and accumulation of snow and rain. The hard work and dedication of our production staff has ensured continuous and safe operations of the production facility and gathering system despite the challenging weather conditions.

In May, a shutdown at the McCully Gas Plant is scheduled for routine maintenance and optimization of the sales gas compressor. The QHSE Team will be a resource to the Production Team for these activities. The QHSE team provided onsite HSE support to the Completions group during the ongoing well testing activities on the G-36 (Landry) Well Pad.

Corridor’s 2011 Corporate HSE Orientation is available. We encourage any contractor planning to conduct work on a Corridor worksite to contact Corridor to receive the Orientation prior to engaging in the work activity.

The QHSE Team is also actively engaged in the work associated with obtaining regulatory approval for the drilling of an exploration well on the Old Harry prospect within Exploration Licence 1105 in the Newfoundland and Labrador offshore area. Corridor will ensure that this exploration program meets or exceeds all environmental, safety and operational regulations established under the robust Canadian regulatory regime.



Operator working on a well head.

Upcoming Activities

- The next newsletter will be published on June 30, 2011.
- The next meeting of the Community Liaison Committee is scheduled for Tuesday, September 13, 2011, from 7:00-8:00 PM at the Penobsquis WI Hall.
- Due to the limited field activities, other than normal Production Operations, the McCully Joint Health and Safety Committee meetings will be deferred until such time that field activity increases.

Penobsquis Family Fun Day Message submitted by the Penobsquis Family Fun Day Committee

This year the Community celebrates the 5th Annual Penobsquis Family Fun Day on June 18. Back by popular demand this year is the Canoe Race and Ball Hockey Tournament. There are plans this year to make the Ball Hockey Tournament two divisions (fun and competitive). Some other events for the day are breakfast, a frog jumping contest and a parade at the Penobsquis Baptist Church in the morning. Afternoon at the Penobsquis Fire Hall begins with a BBQ, games, music and Pork/Beef supper. The evening winds down with a hayride, cribbage tournament and fireworks. Details will follow on these and other events so watch for the flyer in your mail box in early June. Contact Ed Murray (433-3298) for further information.

Call Before You Dig



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Fax: 902-429-0209

We want to hear from you!

Please send any suggestions or comments to:

Dena Murphy

Health, Safety & Environment Manager

Phone: 1-888-429-4511

E-mail: HSE@corridor.ca

Corridor is an Eastern Canadian company engaged in the exploration for and development and production of petroleum and natural gas onshore in New Brunswick, Prince Edward Island and Québec and offshore in the Gulf of St. Lawrence. Corridor currently has natural gas reserves and production in the McCully Field near Sussex, New Brunswick and discovered crude oil reserves in the Caledonia Field near Sussex, New Brunswick in 2008. In addition, Corridor has contingent resources and discovered shale gas resources in Elgin, New Brunswick. In December 2009, Corridor entered into a joint venture to appraise and potentially develop its significant shale gas resources in the Elgin area.

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.

www.corridor.ca