

SPECIAL POINTS OF INTEREST:

- *Reminder of the Health & Safety Drawing Contest—see Page 5.*
- *Community Liaison Committee meetings resume on Monday, September 8, 2008.*
- *Corridor will have a booth at the DNR tent during the Atlantic International Balloon Fiesta from September 5-7 in Sussex.*

Corridor Awards Scholarships to Local Students

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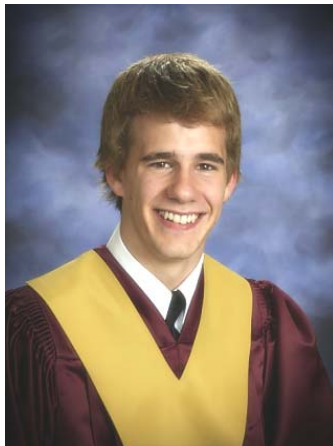
Trevor VandeBrand
Graduate of Sussex Regional High School
Attending: Oulton College



Samantha Dixon
Graduate of Sussex Regional High School
Attending: University of New Brunswick



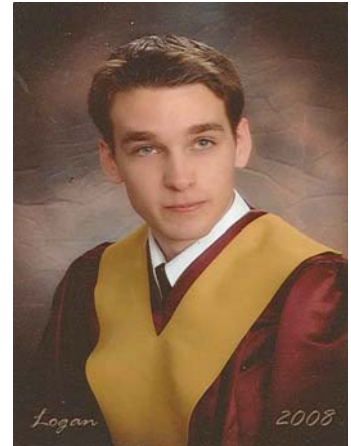
Jenna Strang
Graduate of Sussex Regional High School
Attending: Mount Allison University



Andrew Steeves
Graduate of Petitcodiac Regional High School
Attending: St. Thomas University



Ashley Carson
Graduate of Petitcodiac Regional High School
Attending: University of New Brunswick



Logan Wortman
Graduate of Petitcodiac Regional High School
Attending: Dalhousie University

Corridor Resources selected students from the areas of Penobsquis through to Havelock (that included the areas of the pipeline, well pads and gas plant) for the Corridor Resources Scholarships. The six students chosen are pursuing post secondary education, either university or college, and have strong academic backgrounds.

Corridor would like to thank the schools for their help in this process and to congratulate and wish the recipients the very best as they continue to pursue their education.

Drilling and Completions Update

Drilling

Drilling operations continue in the Penobsquis area with both triple drilling rigs. Nabors Rig #86 has finished drilling on the G-48 (Moffett) well pad behind the poultry barns off the Canada Packers Road. The rig has moved to the south side of the divided Trans-Canada Highway with access being provided off the Piccadilly road. The rig will drill one well from the new location, South Branch G-36. This well should take just over a month and then the rig will be moving to the top of Dunsinane Hill to the I-39 (Folkins/Kyte/Moffett) well pad that was recently built with the access road off of Marvin Farm Road. The rig will be located on this pad to drill between 1 and 4 wells.

The second drilling rig, Nabors Rig #58, has been moved to the O-76 (Tait) well pad to drill a second horizontal well in the middle of the field. It is expected to take approximately 60 to 70 days to complete this work and should be completed before the end of

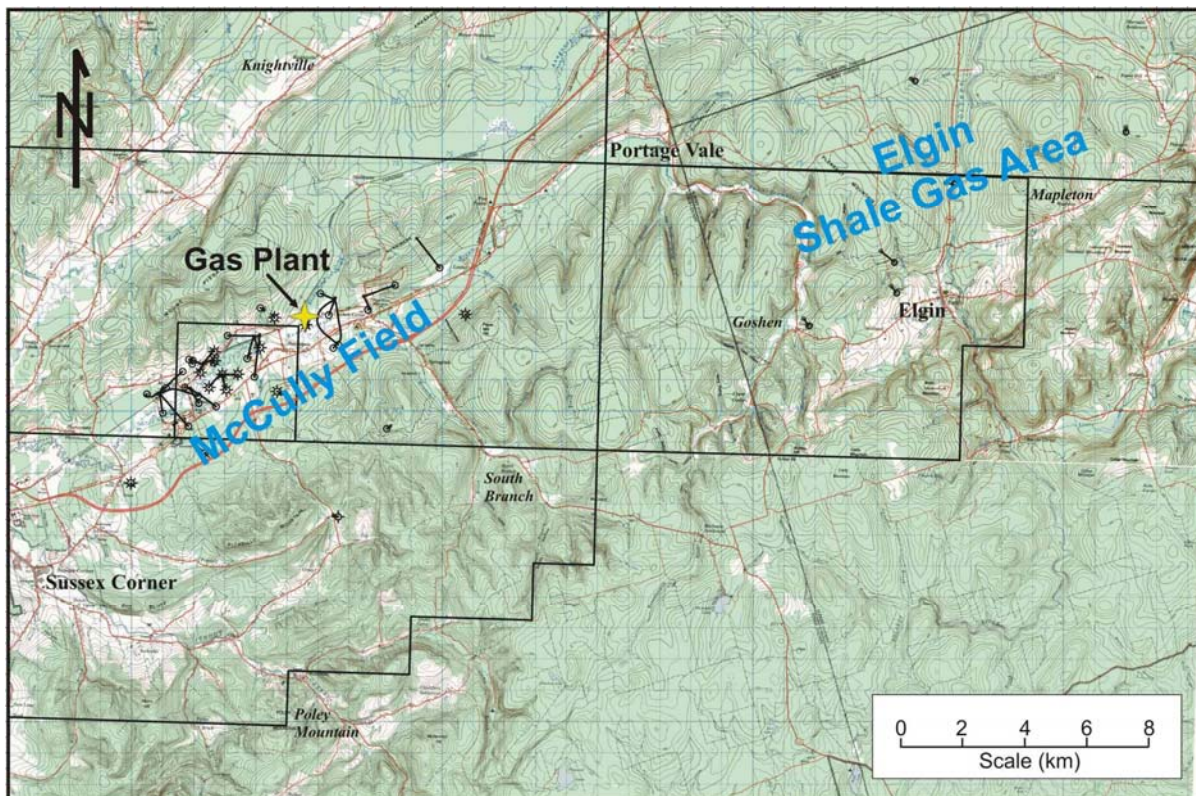
September. Once this well has been completed, the rig will be moving to Elgin to drill 2 to 3 wells in the area.

Planning continues for an additional well pad expansion at the D-48 (Moffett) gas plant well pad, as well as a possible additional new pad at the top of Dunsinane Hill west of the new I-39 pad. This new pad would likely be accessed from the new I-39 well pad that has just recently been constructed.

The B-58 (Waddy) well pad may also be expanded to drill 1 additional well. The planning for these expansions continue and regulatory submissions will be submitted shortly to facilitate construction this fall.

Completions

Completions operations have started in Prince Edward Island and in McCully. The frac equipment will return to McCully in late August for an extended campaign in September and part of October on the G-48 (Moffett) well pad. The completions equipment will be on this pad to frac and test the 4 wells located there. Following this operation, the equipment will be moved to the O-76 (Tait) well pad to frac and test the new well currently being drilled on this location. The frac equipment is expected to be in the Valley for another 2 to 3 months with the remaining testing equipment there until November. The frac and test equipment will also be moved to Elgin once the first well has been drilled to perform fracture stimulation work in this area. Periodic testing and evaluation of the McCully wells will be occurring throughout the remainder of the year.



Production Update

Plant Operations

- The plant turnaround was completed on August 17 and 18.

McCully Phase 2 Clean-Up

- Some minor clean up work is continuing.

McCully 2007 Expansion Project

- All work and clean up is complete.

McCully 2008 Expansion Project

- Work on the N-57 well pad to connect 2 new wells will start September 1.
- Work on the G-48 lateral will start in the first week of September.

Seismic Activity Update

This past spring, Corridor announced plans to conduct two seismic programs in the McCully area. Due to a shift in company priorities, the McCully East 3-D seismic program will not be performed during the 2008 field season. This seismic program was to be conducted to the east of Dunsinane Hill. The second 3-D seismic program, called South Branch, is still tentatively planned for completion this fall. Currently, the earliest possible start date is approximately September 15, 2008.

Land permit agents have been working in the area to secure landowner permission to conduct the South Branch seismic program in the event it goes ahead. As has been the case in past Corridor seismic programs, landowner cooperation has been very good and Corridor appreciates this high level of landowner participation.

Salt Springs Storage Update

Corridor held an Open Season in May of this year to solicit interest for underground storage in the Salt Springs area from natural gas shippers on the Maritimes and Northeast Pipeline. The response to the Open Season was positive and Corridor is making plans to meet with the interested parties to gauge future interest. In addition, Corridor is conducting pre-feasibility studies for high-level engineering design and for evaluating potential storage cavern locations. Some field work may be required this fall as part of the pre-feasibility studies.

The Open House held by Corridor at the Southfield United Church Hall on May 26, 2008 was well attended and many comments about the proposed storage project were received. Corridor values the input from local residents and intends to conduct future Open House sessions if the project receives sufficient interest from potential storage customers.

Firefighting Training

Corridor, as part of its Continuing Education Program, sponsored a one day course to train local firefighters and Corridor staff in industrial firefighting techniques. The course was held at the Point Lepreau fire training facility that is administered by NB Power and provides similar training for fire departments throughout New Brunswick. The fire training was provided by Angus Monks, the Nuclear Training Officer at Point Lepreau, and his staff, all of whom are seasoned industrial firefighters.

The Point Lepreau facility has a number of props that simulate oil and gas fires in an industrial setting. The props create very realistic fire situations so that firefighters can gain hands-on experience fighting fires.

The course was attended by 6 firefighters from the Penobsquis Fire Department, 6 from the Sussex Fire Department and 4 Corridor staff. The course material was customized to specifically provide practice under conditions that might occur in a gas plant.

The attendees found the course to be very worthwhile and provided valuable training that could be utilized in many different situations. The cost of the course was fully funded by Corridor Resources.

The Penobsquis and Sussex fire departments are volunteer groups and Corridor wishes to thank the members that took time out of their weekend to attend the course.



Safety and Environment

July and August were busy months for the HSE Department. The Corporate Emergency Response Manual and the Corporate Training Manual were finalized and issued in July. The Corporate Health & Safety Manual and Environmental Management Manual are also nearing completion. Training courses are being prepared to orient all Corridor staff and key contractors on these corporate manuals.

The HSE Department continued its support of drilling, completions and production operations. In July, the 2008 completions campaign began with over 50 contractors attending HSE orientation sessions. Additional orientation sessions were held at a Sussex-based transportation company in July and at the gas plant during a scheduled shutdown in August.

An independent third party auditor was contracted to visit both of the Nabors drilling rigs and the gas plant early in August. The audits were conducted to determine if the Nabors and Corridor health and safety plans are being implemented in the field. Corridor and Nabors are working together to develop corrective actions plans as a result of the audits. Additionally in August, Nabors conducted 100 day inspections at both drilling rigs. Items requiring action have been identified and actions plans are being developed for both rigs.

With respect to regulatory affairs, on July 17, the New Brunswick Department of Environment (NBENV) issued Corridor an approval for the 2008 Gathering System Expansion Environmental Impact Assessment (EIA) which included the proposed G-48 pipeline connection to the McCully Production System. Following the EIA approval, Corridor attended the New Brunswick Energy & Utilities Board (NBEUB) Public Hearing for the G-48 well pad project on August 12 and received a Permit to Construct the pipeline from the NBEUB on August 20.

The planning process for additional natural gas pipelines is well underway with the following three EIA's being carried out in the Penobsquis and Elgin areas of New Brunswick:

- I-39 Pipeline EIA for 2009 Gathering System Expansion—a pipeline right of way (RoW) is proposed between the new I-39 well pad and the G-48 well pad;
- Future McCully pipeline EIA for 2009 Gathering System Expansion—a series of pipeline RoWs are being proposed in the McCully area (broad area approach) to connect planned future well pads; and
- Elgin Area Pipeline EIA—a pipeline RoW is being proposed to connect the upcoming Elgin Natural Gas Wells to the existing McCully Production System.

On August 22, the first of three Defensive Driving courses was held in Halifax for all Halifax staff. Defensive driving courses are also being planned in the upcoming months for the New Brunswick staff and key contractors.

On August 27, Corridor held an Open House at the Elgin Community Centre in Elgin, New Brunswick to provide information to the residents of the Elgin area regarding Corridor's upcoming exploratory natural gas drilling program in the area. The Open House was attended by approximately 35 to 40 people.

On August 28, Corridor held an Open House at the Penobsquis WI Hall in Penobsquis, New Brunswick to solicit public input regarding the proposed natural gas pipeline that will connect the I-39 well pad to the G-48 well pad and the McCully production system. Public input gathered at this Open House is being incorporated into the EIA currently underway. The Open House was attended by approximately 5 people.

The HSE Department is in the process of organizing Emergency Response training and tabletop exercises for all of its personnel. Sessions, facilitated by Randy Robinson of the New Brunswick Emergency Measures Organization, are being planned for October in both Halifax and Penobsquis.

Corridor Health & Safety Calendar Drawing Contest

In the last Newsletter, we announced the Health & Safety Calendar Drawing Contest in support of the North American Occupational Safety & Health (NAOSH) week which was held the week of May 4 to 10, 2008.

Corridor is inviting children between the ages of 4 and 12 to submit a drawing (one entry per child) that illustrates the theme of "Safety on the Job". The contest is open to children, grandchildren, nieces and nephews of Corridor employees and residents of Penobsquis, NB and the surrounding areas. Children are encouraged to illustrate an example of safety in the workplace, and parents, grandparents, aunts and uncles are encouraged to discuss workplace safety practices with the children as they work on their drawings.

Twelve of the drawings submitted will be selected to be used as feature artwork for Corridor's 2009 Health & Safety Calendar which will be available for distribution later in 2008. Each child, whose drawing is chosen for the calendar, will receive a small prize.

Drawings (maximum size 8 1/2" x 11") can be mailed to Dena Murphy at the Halifax address on the back page of the newsletter or dropped off at the Corridor office in Penobsquis, NB (12317 Route 114). The child should clearly print his/her name, age and community where they live on the back of the drawing. The deadline to submit drawings has been extended to **October 31, 2008**.

Schedule of Planned Activities

Drilling

- Nabors Rig #86 is currently located at the G-36 well pad. After completing drilling in this location, it will move to the I-39 well pad for 1 to 4 wells.
- Nabors Rig #58 is located at the O-76 well pad for 60 to 70 days and will then be moving to Elgin area to drill 2 to 3 wells.

Completions

- Frac equipment is returning to the McCully G-48 well pad for completion operations during September/October.
- Periodic testing and evaluation of McCully wells will take place during the remainder of the year.

Production

- The N-57 well pad expansion will start September 1.
- The G-48 lateral construction will begin in early September.

Upcoming Activities

- The next newsletter will be published October 31, 2008.
- The next meeting of the Community Liaison Committee is scheduled for September 8, 2008 from 7:00-8:00 PM at the Penobscus Fire Hall.
- The next McCully Joint Health and Safety Committee meeting is scheduled from 11:00 AM to 1:00 PM on Tuesday, September 9, 2008, at the Timberland Motel.
- Corridor HSE representatives will be attending the Canadian Society of Safety Engineering Professional Development Conference and Exhibition from September 14-17, 2008 in Quebec City.
- Corridor is a platinum sponsor of and will be participating in the Department of Natural Resources' "Exploration, Mining and Petroleum New Brunswick 2008 Conference" being held from November 2-5, 2008 in Fredericton.

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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 1.7 million net acres under license.