

**CORRIDOR RESOURCES INC.**  
**ELGIN CONTINGENT RESOURCES**

**Effective December 31, 2010**

Prepared by  
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*The analysis of this property as reported herein was conducted within the context of an evaluation of a distinct group of properties in aggregate. Extraction and use of this analysis outside this context may not be appropriate without supplementary due diligence.*

March 5, 2011

Project 1100567

Mr. Don Leblanc  
**Corridor Resources Inc.**  
Suite 301, 5775 Spring Garden Road  
Halifax, Nova Scotia B3J 3T2

**Re: Corridor Resources Inc.  
Frederick Brook Shale Resource Report  
Effective December 31, 2010**

GLJ Petroleum Consultants Ltd. (GLJ) has completed an independent assessment of Frederick Brook Shale gas resources associated with certain lands for Corridor Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2010.

This evaluation has been prepared in accordance with the reserves definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook (COGEH).

This report has been prepared for the Company's internal purposes. It is understood that Corridor intends to provide public disclosure of the overall results of this study and GLJ consents to reporting of the conclusions in this report. This complete report may be provided by the Company to third parties on a confidential basis to facilitate business dealings. Publication of any portion of this report including posting on SEDAR or company websites is prohibited without written consent of GLJ.

It is trusted that this evaluation meets your current requirements. Should you have any questions regarding this analysis, please contact the undersigned.

Yours truly,

**GLJ PETROLEUM CONSULTANTS LTD.**

*"ORIGINALLY SIGNED BY"*

T. Nicholas Topolynski, P. Geol.  
Senior Geologist

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Todd J. Ikeda, P. Eng.  
Senior Engineer

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Vice-President

Company: **Corridor Resources Inc.**  
 Property: **Elgin Contingent Resources**  
 Description: **Elgin**

Reserve Class: **Various**  
 Development Class: **Classifications**  
 Pricing: **GLJ (2011-01)**  
 Effective Date: **December 31, 2010**

## Summary of Reserves and Values

|   | <b>Best<br/>Estimate<br/>Contingent<br/>Resources</b> | <b>High<br/>Estimate<br/>Contingent<br/>Resources</b> |
|---|---|---|
| <b>MARKETABLE RESERVES</b>                      |   |   |
| <b>Gas (MMcf)</b>                               |   |   |
| Gross Lease                                     | 395,582   | 710,444   |
| Total Company Interest                          | 395,582   | 710,444   |
| Net After Royalty                               | 358,002   | 642,952   |
| <b>Oil Equivalent (Mbbbl)</b>                   |   |   |
| Gross Lease                                     | 65,930  | 118,407   |
| Total Company Interest                          | 65,930  | 118,407   |
| Net After Royalty                               | 59,667  | 107,159   |
| <b>BEFORE TAX PRESENT VALUE (M\$)</b>           |   |   |
| 0%  | 799,957   | 3,383,672   |
| 5%  | 206,727   | 1,289,435   |
| 8%  | 32,157  | 783,542   |
| 10%   | -42,953   | 571,568   |
| 12%   | -95,809   | 419,092   |
| 15%   | -146,349  | 261,637   |
| 20%   | -184,332  | 108,481   |
| <b>FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$)</b> |   |   |
| 2011  | 0   | -250  |
| 2012  | 0   | 0   |
| 2013  | -63,464   | -63,464   |
| 2014  | -260,427  | -257,190  |
| 2015  | -307,840  | -258,922  |
| 2016  | -207,899  | 90,482  |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0  
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

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1100567 Class (CR2,CR3), GLJ (2011-01), psum

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## DISCUSSION

The Elgin field is located near Sussex, New Brunswick (Map 1). Corridor Resources Inc. (Corridor) currently holds a 100 percent interest in the field; however, Apache Canada Ltd. (Apache) is currently in the earning stages of acquiring operatorship and a 50 percent working interest in the target Frederick Brook Shale play. All analysis provided in the following report is therefore provided on a gross lease basis due to uncertainty with regard to future working interests. Due to significant capital costs yet to be incurred to develop the property, no reserves were booked to the contingent lands, and only areas considered to have established recoverable contingent resources are presented herein.

The lower Carboniferous aged Frederick Brook Member is part of the Albert Formation and was deposited as a thick sequence in a continental lacustrine environment. It is believed to conformably overlie the Dawson Settlement Member throughout the study area and is in turn unconformably overlain by the Sussex group. GLJ Petroleum Consultants (GLJ) completed a Frederick Brook Shale Gas Study effective June 1, 2009 that contains a more thorough discussion of the geology in the Elgin region.

The Frederick Brook is a laterally continuous unit approximately 500 metres thick in Elgin. The depth to the top of the Frederick Brook in the G-41 well is 1,753 metres TVD. The Frederick Brook is informally subdivided into the upper and lower units on the basis of lithology. The upper Frederick Brook shale interval is characterized by having higher clay and silica content as opposed to the lower Frederick Brook shale interval which is characterized by less clay and proportionately more dolomite and albite (feldspar).

Notably in G-41 the upper Frederick Brook contains thin (less than 5 metres) very fine porous permeable sand layers identified in samples and via log responses.

In 2009, the first exploratory well, Green Road 41 (G-41), was tested in the shaly portion of the Frederick Brook Shale over interval 2047.5 to 2052.5 mKB, as shown in Plot 3. Stimulated with a 307 m<sup>3</sup> LPG frac, the zone tested at 0.43 MMCFD demonstrating productivity. A three mile radius around the G-41 well was considered for the recoverable contingent resources area; which is to be developed with multi-stage horizontal wells. The discovered petroleum initially-in-place (DPIIP) has been estimated to be approximately 1,036 BCF for the best estimate, and 1,376 BCF for the high estimate. (Discovered resources are those quantities of oil and gas estimated on a given data to be remaining, plus those quantities already produced from, known accumulations.)

The parameters used to estimate recoverable contingent resources are summarize below for the best and high estimates:

| Description                  |         | Best Estimate | High Estimate |
|------------------------------|---------|---------------|---------------|
| Contingent Land              | (acres) | 14,720        | 14,720        |
| Gross Thickness              | (ft)    | 1,257         | 1,257         |
| Net-to Gross                 |         | 0.20          | 0.27          |
| Net Pay                      | (ft)    | 251.0         | 339.0         |
| DPIIP                        | (BCF)   | 1,036         | 1,376         |
| Recovery Factor              | (%)     | 40.0          | 55.0          |
| EUR                          | (BCF)   | 414           | 757           |
| Completions per well         |         | 12            | 16            |
| Drainage Area per wells      | (acre)  | 96            | 128           |
| Total Development Wells      |         | 152           | 112           |
| EUR per Well                 | (MMCF)  | 2,724         | 6,758         |
| Development Capital per well | (\$M)   | 9,000         | 11,000        |

***There is no certainty that it will be commercially viable to produce any portion of this resource.***

The G-41 well was also completed in three sandstone intervals; however, as the continuity of these layers are unproven, and they are not considered as the primary target for development they were not considered in the resource assessment other than for the G-41 well itself.

The B-41 well was spud on June 19, 2010. In November 2010, the B-41 was completed utilizing multi-stage completion technology. A five stage slick water fracture stimulation was performed on the B-41 well. A total fluid volume of 17,057 m<sup>3</sup> and 991 tonnes of sand were used in the completion.

The G-59 well was spud on August 23, 2010. In November 2010, the G-59 was completed utilizing multi-stage completion technology. A five stage slick water fracture stimulation was performed on the B-41 well. A total fluid volume of 18,454 m<sup>3</sup> and 1,262 tonnes of sand were used in the completion.

Both the B-41 and G-59 wells were tested and obtained minimal gas rates. Corridor plans to install gas lift to the B-41 well to enhance load fluid recoveries. The B-41 has only recovered approximately 13 percent of the load fluid.

As per the stimulation to the G-41 well, Corridor plans to use LPG for any future stimulations as slick water proved to be ineffective.

Current analysis on the fracture treatments for both the B-41 and G-59 wells indicates that there was no vertical fracture growth in the reservoir resulting in a “Pancake frac” pattern only. Hence, no low estimate contingent resources have been recognized.

A summary of economic parameters used in this evaluation, including product pricing, operating expenses, future capital costs and well abandonment costs are provided in Table 4. Additionally, a future development summary detailing the pace of development is presented in Table 4. Operating costs were based on parameters provided by Corridor and costs at the Corridor operated McCully field. Economic forecasts for each of the resource categories have been included in the Economic Forecasts section of this report.

#### ***Other Economic Considerations***

This report ***does not*** address the following issues:

- Non-resource well abandonment, wellsite reclamation and facility abandonment/salvage including possible environmental concerns.
- Potential processing income.
- The current condition of field, gathering and processing facilities, i.e. an inspection was not carried out.