

CORRIDOR RESOURCES INC.
GROSS LEASE
ELGIN CONTINGENT RESOURCES

Effective December 31, 2009

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.

DISCUSSION

The Elgin field is located near Sussex, New Brunswick. 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 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 (<5m) very fine porous permeable sand layers indentified 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 m³ 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. Parameters used to estimate recoverable contingent resources are summarize below for the low, best and high estimates:

Description		Low Estimate	Best Estimate	High Estimate
Contingent Land	(acres)	14,720	14,720	14,720
Gross Thickness	(ft)	1,257	1,257	1,257
Net-to Gross		0.20	0.20	0.27
Net Pay	(ft)	251.0	251.0	339.0
OGIP	(BCF)	1,036	1,036	1,376
Recovery Factor	(%)	40.0	50.0	55.0
EUR	(BCF)	414	518	757
Completions per well		10	12	16
Drainage Area per wells	(acre)	80	96	128
Total Development Wells		184	152	112
EUR per Well	(MMCF)	2,251	3,407	6,758
Development Capital per well	(\$M)	8,000	9,000	11,000

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.

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.

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

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2010-01)**
 Effective Date: **December 31, 2009**

Summary of Reserves and Values

	Low Estimate Contingent Resources	Best Estimate Contingent Resources	High Estimate Contingent Resources
MARKETABLE RESERVES			
Gas (MMcf)			
Gross Lease	395,146	494,093	708,040
Total Company Interest	395,146	494,093	708,040
Net After Royalty	357,607	447,155	640,776
Oil Equivalent (Mbbbl)			
Gross Lease	65,858	82,349	118,007
Total Company Interest	65,858	82,349	118,007
Net After Royalty	59,601	74,526	106,796
BEFORE TAX PRESENT VALUE (M\$)			
0%	1,425,162	2,555,339	4,770,440
5%	416,160	886,494	1,847,887
8%	155,058	472,848	1,156,052
10%	49,655	303,781	868,023
12%	-21,348	186,400	661,425
15%	-86,104	72,172	448,342
20%	-131,808	-25,693	240,432
FIRST 6 YEARS BEFORE TAX CASH FL...			
2010	0.0	0.0	0.0
2011	0.0	0.0	0.0
2012	0.0	0.0	0.0
2013	-64,733.7	-64,733.7	-64,733.7
2014	-240,505.6	-241,934.2	-219,075.0
2015	-256,693.0	-272,763.2	-201,356.5

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

Run Date: March 11, 2010 10:51:29

1100020 Class (CR1,CR2,CR3), GLJ (2010-01), psum

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