
PRESS RELEASE

CORRIDOR ANNOUNCES THIRD QUARTER RESULTS AND GUIDANCE FOR WINTER 2018/2019

HALIFAX, Nova Scotia, November 13, 2018 (TSX - CDH): Corridor Resources Inc. (“Corridor”) announced today its third quarter financial results.

The following table provides a summary of Corridor’s financial and operating results for the three and nine months ended September 30, 2018, with comparisons to the three and nine months ended September 30, 2017. Corridor's unaudited financial statements and management's discussion and analysis for the third quarter have been filed on SEDAR at www.sedar.com and are available on Corridor's website at www.corridor.ca.

All amounts referred to in this press release are in Canadian dollars unless otherwise stated.

Selected Financial Information

	Three months ended September 30		Nine months ended September 30	
<i>thousands of dollars except per share amounts</i>	2018	2017	2018	2017
Sales	-	-	\$ 13,419	\$ 4,513
Net income (loss)	\$ (1,860)	\$ 3,826	\$ (6,418)	\$ 4,141
Net income (loss) per share – basic and diluted	\$ (0.021)	\$ 0.043	\$ (0.072)	\$ 0.047
Cash flow from operations ⁽¹⁾	\$ (867)	\$ (1,509)	\$ 8,965	\$ 892
Working capital	\$ 54,286	\$ 49,588	\$ 54,286	\$ 49,588

(1) Cash flow from operations is a non-IFRS measure. Cash flow from operations represents net earnings adjusted for non-cash items including depletion, depreciation and amortization, deferred income taxes, share-based compensation and other non-cash expenses. See “Non-IFRS Financial Measures” in Corridor’s MD&A for the three and nine months ended September 30, 2018.

Q3 2018 Netback Analysis

	Three months ended September 30		Nine months ended September 30	
<i>thousands of dollars</i>	2018	2017	2018	2017
Natural gas production per day (mmscfpd)	-	-	4.2	2.4
Barrels of oil equivalent per day (boepd) ⁽²⁾	-	-	700	400
Average natural gas price (\$/mscf)	-	-	\$ 11.28	\$ 6.41
Natural gas sales	-	-	\$ 12,938	\$ 4,204
Realized financial derivatives gain (loss)	-	-	(1,398)	1,094
Other revenues	-	-	481	309
Royalties	-	-	(410)	(93)
Transportation expense	-	-	(100)	(428)
Production expense	(525)	(607)	(1,928)	(1,906)
Field operating netback	\$ (525)	\$ (607)	\$ 9,583	\$ 3,180

(2) For the purpose of calculating unit revenues and costs, natural gas has been converted to barrels of oil equivalent (“boe”) on the basis of six thousand cubic feet (“mscf”) of natural gas being equal to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of six mscf to one barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Unlike prior financial periods, Corridor has determined not to make any disclosure of its financial performance on a per boe basis for the three and nine months ended September 30, 2018 and 2017. Such disclosure would not be a meaningful indicator of Corridor’s performance given there was no production during the three months ended September 30, 2018 and 2017.

Guidance up to March 31, 2019

Since 2015 Corridor has determined to shut-in most of its producing natural gas wells in the McCully Field in New Brunswick for a portion of the summer/fall period and to time the start-up of production, and the associated recovery of flush volumes, with peak winter pricing to maximize cash flow from operations and retain Corridor's reserves for production in future years. In accordance with this strategy, Corridor shut-in all its natural gas production at the McCully Field in May 2018. With the arrival of cold weather in the Boston region, Corridor has decided to resume partial production on November 14, 2018 with a plan to return to full production in December 2018.

A key component of this production optimization strategy is to enter into financial hedges to mitigate the risks associated with the volatility of natural gas prices when natural gas production resumes after a shut-in period. Accordingly, as previously announced, Corridor entered into financial hedges for 2,500 mmbtupd of natural gas production at a fixed price of \$US7.40/mmbtu and for 2,500 mmbtupd of natural gas production at a fixed price of \$US7.90/mmbtu for the period from December 1, 2018 to March 31, 2019. Corridor also recently entered into financial hedges for 2,500 mmbtupd of natural gas production at a fixed price of \$US12.72/mmbtu for January 2019 and for 2,500 mmbtupd at a fixed price of \$US12.50/mmbtu for February 2019. These financial hedges result in 62.5% of Corridor's estimated production being hedged during the period from December 1, 2018 to March 31, 2019. In total, these hedges are expected to generate approximately \$8.1 million of revenue out of estimated total revenues of \$12.0 million for the period from December 1, 2018 to March 31, 2019.

Corridor's natural gas sales are priced at Algonquin city-gates ("AGT") near Boston, Massachusetts. The AGT strip forecast for the period from December 1, 2018 to March 31, 2019 has been strong in the last month currently exceeding an average of \$US10.00/mmbtu.

Corridor's guidance for the winter of 2018/2019 (December 1, 2018 to March 31, 2019) is as follows:

All dollars in Canadian unless indicated otherwise

AGT average natural gas price	\$ US 8.97/mmbtu
USD/CAD exchange rate	\$ 1.26 USD/CAD
Average realized natural gas price	\$ 10.58/mscf
Average daily natural gas production	9.4 mmscfpd
Field operating netback	\$ 10.8 million
Cash flow from operations ⁽¹⁾	\$ 10.0 million
Field operating netback per mscf	\$ 9.6/mscf
Cash flow from operations ⁽¹⁾ per mscf	\$ 8.9/mscf
Capital expenditures (for the year ending December 31, 2018)	\$ 4.1 million
Working capital estimate (as at March 31, 2019)	\$ 62.4 million

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Corridor's capital budget of \$4.1 million for the calendar year 2018 includes \$1.9 million on an abandonment program of 4 non-producing wells, \$0.5 million on a minor well workover program and \$0.5 million on gas plant related maintenance and other corporate assets. It also included costs incurred of \$1.2 million on the Old Harry controlled source electromagnetic study and technical study.

"Corridor's production optimization and hedging strategy, combined with a robust strip pricing forecast at AGT, is expected to result in strong cash flow from operations this winter. Corridor is in an enviable financial position with a strong balance sheet and working capital of \$54 million at September 30, 2018 expected to exceed \$62 million by the end of March 2019" said Steve Moran, President and CEO of Corridor. "We are encouraged by early indications from New Brunswick that the new Government may

be prepared to propose the removal of the hydraulic fracturing moratorium in the area around our core assets. We look forward to working with the new Government to seek a path forward to unlocking New Brunswick's natural gas potential."

Corporate Presentation

An updated Corporate Presentation dated November 2018 is now available on Corridor's website at www.corridor.ca.

Corridor is a Canadian junior resource company engaged in the exploration for and development and production of petroleum and natural gas onshore in New Brunswick and offshore in the Gulf of St. Lawrence. Corridor currently has natural gas production and reserves in the McCully Field near Sussex, New Brunswick. In addition, Corridor has a shale gas prospect in New Brunswick and an offshore conventional hydrocarbon prospect in the Gulf of St. Lawrence.

For further information:

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Forward Looking Statements

This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this press release contains forward-looking statements pertaining to: the characteristics of Corridor's properties; business plans and strategies, including its production optimization strategy and hedging strategy; plans to resume production from its shut-in wells; expectations regarding Corridor's positioning for 2018; expectations regarding natural gas prices, the USD/CAD exchange rate, natural gas production, field operating netbacks, cash flow from operations for the period from December 1, 2018 to March 31, 2019; capital expenditures for 2018; and working capital estimate as at March 31, 2019.

Statements relating to "reserves" are forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described exist in the quantities predicted or estimated and can profitably be produced in the future.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based, will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Corporation and its shareholders. Forward-looking statements are based on the Corporation's current beliefs as well as assumptions made by, and information currently available to, the Corporation concerning anticipated financial performance, business prospects, strategies, regulatory developments, future natural gas and oil commodity prices, exchange rates, future natural gas production levels, the ability to obtain equipment in a timely manner to carry out development activities, the ability to market natural gas successfully to current and new customers, the impact of increasing competition, the ability to obtain financing on acceptable terms, the ability to add production and reserves through development and exploration activities, and the terms of agreements with third parties such as the Corporation's hedging contracts. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. These factors include, but are not limited to, risks associated with oil and gas exploration, development and production, operational risks, development and operating costs, substantial capital requirements and financing, volatility of natural gas and oil prices, government regulation, environmental, hydraulic fracturing, third party risk, dependence on key personnel, co-existence with mining operations, availability of drilling equipment and access, variations in exchange rates, expiration of licenses and leases, reserves and resources estimates, trading of common shares, seasonality, disclosure controls and procedures and internal controls over financial reporting, competition, conflicts of interest, issuance of debt, title to properties, hedging, information systems, litigation and aboriginal land and rights claims. Further information regarding these factors may be found under the heading "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2017. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive.

The forward-looking statements contained in this press release are made as of the date hereof and Corridor does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.