
PRESS RELEASE

CORRIDOR ANNOUNCES THIRD QUARTER RESULTS AND INCREASED CASH FLOW AND PRODUCTION GUIDANCE FOR WINTER 2019/2020

HALIFAX, Nova Scotia, November 12, 2019 (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, 2019, with comparisons to the three and nine months ended September 30, 2018. 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>	2019	2018	2019	2018
Sales	-	-	\$ 7,023	\$ 13,419
Realized financial derivatives gains (losses)	-	-	\$ 2,898	\$ (1,398)
Net income (loss)	\$ (1,318)	\$ (1,860)	\$ 1,368	\$ (6,418)
Net income (loss) per share – basic and diluted	\$ (0.015)	\$ (0.021)	\$ 0.015	\$ (0.072)
Cash flow from operations ⁽¹⁾	\$ (1,422)	\$ (867)	\$ 6,295	\$ 8,965
Working capital	\$ 62,059	\$ 54,286	\$ 62,059	\$ 54,286

(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 nine months ended September 30, 2019.*

Q3 2019 Netback Analysis

	Three months ended September 30		Nine months ended September 30	
<i>thousands of dollars</i>	2019	2018	2019	2018
Natural gas production per day (mmscfpd)	-	-	3.8	4.2
Barrels of oil equivalent per day (boepd)	-	-	627	700
Average natural gas price (\$/mscf)	-	-	\$ 6.40	\$ 11.28
Natural gas sales	-	-	\$ 6,574	\$ 12,938
Realized financial derivatives gains (losses)	-	-	2,898	(1,398)
Other revenues	-	-	449	481
Royalties	-	-	(178)	(410)
Transportation expense	-	-	-	(100)
Production expense	(600)	(525)	(1,954)	(1,928)
Field operating netback	\$ (600)	\$ (525)	\$ 7,789	\$ 9,583

(2) *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, 2019 and 2018. Such disclosure would not be a meaningful indicator of the performance of Corridor given there was no production in each of Q3 2019 and Q3 2018 due to management’s decision to shut-in production starting in May of each year as part of its production optimization strategy.

2019 Third Quarter Highlights

- Corridor shut-in all of its natural gas production for all of Q3 2019 in accordance with its production optimization strategy. With the arrival of cold weather in the Boston region, Corridor resumed partial production on November 8, 2019 with a plan to ramp up to full production starting in early December 2019.
- At September 30, 2019, Corridor had cash and cash equivalents of \$61,253 thousand and working capital of \$62,059 thousand and no outstanding debt.
- During the quarter, Corridor purchased and cancelled 154,066 of its common shares at an average price of \$0.673/share under its normal course issuer bid which ended on August 22, 2019. Corridor now has 88,147,005 basic common shares outstanding.
- Subsequent to the quarter end, the Company entered into a financial hedge for 2,500 mmbtupd from November 8, 2019 to November 30, 2019 at a fixed price of \$US4.85/mmbtu, and another financial hedge for 2,500 mmbtupd from December 1, 2019 to March 31, 2020 at a fixed price of \$US7.12/mmbtu. Corridor now has a total of 5,000 mmbtupd hedged for the period of December 1, 2019 to March 31, 2020 at an average price of \$US8.06/mmbtu. In aggregate, Corridor's financial hedges represent approximately 55% of Corridor's total estimated production from November 8, 2019 to March 31, 2020.
- On October 31, 2019, Corridor announced the commencement of a formal process to explore and develop strategic alternatives with a view of enhancing shareholder value.

Increased Cash Flow and Production Guidance to March 31, 2020

Corridor has increased its guidance for the period from April 1, 2019 to March 31, 2020 from the guidance previously disclosed in the press release dated August 12, 2019, as follows:

	August 12, 2019 guidance	Revised guidance
AGT average natural gas price	\$US 3.93/mmbtu	\$US 3.99/mmbtu
Average sales price realized (including financial hedges)	\$ 9.00/mscf	\$ 8.85/mscf
USD/CAD exchange rate	\$ 1.30 USD/CAD	\$ 1.30 USD/CAD
Average daily natural gas production	3.4 mmscfpd	3.7 mmscfpd
Field operating netback	\$ 8.7 million	\$ 9.4 million
Cash flow from operations ⁽¹⁾	\$ 7.1 million	\$ 7.4 million
Field operating netback per mscf	\$ 6.92/mscf	\$ 6.93/mscf
Cash flow from operations ⁽¹⁾ per mscf	\$ 5.63/mscf	\$ 5.44/mscf
Capital expenditures (for the year ending December 31, 2019)	\$1.8 million	\$1.1 million
Working capital estimate (as at March 31, 2020)	\$ 68.1 million	\$ 69.3 million
Working capital estimate per basic common share (as at March 31, 2020)	\$0.77	\$0.79

⁽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 nine months ended September 30, 2019.

Key highlights of the revised guidance are as follows:

- An increase to estimated field operating netback to \$9.4 million from an 8% increase in forecasted natural gas production due in part to the resumption of production earlier than previously planned and a mark to market gain on our recent financial hedges; and

- a decrease in capital expenditures for the year ended December 31, 2019.

As a result of the revised guidance, Corridor now estimates that its working capital estimate as of March 31, 2020 will be \$69.3 million or \$0.79 per basic common share.

Corporate Presentation

An updated corporate presentation dated November 2019 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 plans to commence a process to explore and develop alternatives and Corridor's optimization strategy); updated guidance regarding natural gas prices, netbacks, cash flow from operations and capital expenditures for the period ended March 31, 2020 and working capital estimates as at March 31, 2020.

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, including obtaining an exemption to the current moratorium on hydraulic fracturing. 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, 2018. 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.