

HALIFAX, NOVA SCOTIA--(Marketwired - Oct 7, 2016) - [Corridor Resources Inc.](#) ("Corridor") (TSX:CDH) announced today that it has entered into a financial hedge for the period from December 1, 2016 to March 31, 2017 for 2,500 mmbtu per day of natural gas production (approximately 2.3 mmscf per day) at a fixed price of \$US6.50/mmbtu. All amounts referred to in this press release are in Canadian dollars unless otherwise stated.

Corridor's strategy is to maximize its field operating netback by producing less natural gas volumes in periods of low natural gas prices and increased natural gas volumes in periods of high natural gas prices. Accordingly, Corridor partially shut-in its natural gas production in September and intends to continue such partial shut-in until the end of November 2016 due to anticipated higher natural gas pricing at the Algonquin city-gates market ("AGT") from December 1, 2016 to March 31, 2017. Corridor entered into this financial hedge to protect its field operating income against possible low natural gas prices at AGT during the winter season. Management will continue to monitor closely future natural gas prices at AGT until the end of November 2016 and may elect to shut-in more or less production and hedge additional production, all in accordance with its strategy.

Corridor has revised its guidance from guidance previously provided on May 12, 2016 and September 16, 2016 to reflect the decision to partially shut-in production and enter into a financial hedge, as follows:

Revised Guidance from April 1, 2016 to March 31, 2017

AGT average natural gas price	\$US4.00/mmbtu
USD/CAD exchange rate	\$1.30 USD/CAD
Average natural gas price realized	\$5.63/mscf
Average daily natural gas production	5.9 mmscfd
Field operating netback	\$7.8 million
Cash flow from operations ⁽¹⁾	\$4.6 million
Field operating netback per mscf	\$3.63/mscf
Cash flow from operations ⁽¹⁾ per mscf	\$2.13/mscf
Capital expenditures (for the calendar year 2016)	\$0.6 million
Working capital estimate (as at March 31, 2017)	\$33.8 million

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.*

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 Québec 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, an offshore conventional hydrocarbon prospect in the Gulf of St. Lawrence and an unconventional hydrocarbon prospect through a 21.67% interest in Anticosti Hydrocarbons L.P., a joint venture which has undiscovered resources on Anticosti Island, Québec.

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: Corridor's business plans and strategies, natural gas prices, costs, the Canada - U.S. exchange rate, natural gas production, field operating netback, cash flow from operations, capital expenditures and working capital.

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 Corridor and its shareholders.

Forward-looking statements are based on the terms of the forward sale agreement governing the sale of natural gas by Corridor and Corridor's current beliefs as well as assumptions made by, and information currently available to, Corridor concerning anticipated financial performance, business prospects, strategies, regulatory developments, future natural gas commodity prices, 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, and the ability to add production and reserves through development and exploration activities. 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 may be found under the heading "Risk Factors" in Corridor's Annual Information Form for the year ended December 31, 2015.

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.

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