HALIFAX, NOVA SCOTIA--(Marketwired - Mar 30, 2017) - Corridor Resources Inc. (TSX:CDH) ("Corridor" or the "Company") announced today its 2016 year-end financial results and reserves evaluations. Corridor's annual financial statements, annual management's discussion and analysis and Annual Information Form for the year ended December 31, 2016 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.

Year End Financial Results

The following table provides a summary of Corridor's financial and operating results for the three and twelve months ended December 31, 2016 with comparisons to the three and twelve months ended December 31, 2015.

Selected Financial Information

	Three months ended December 31		Twelve months ended December 31	
thousands of dollars except per share amounts	2016	2015	2016	2015
Sales	$ 2,356	$ 3,630	$ 13,541	$ 15,876
Net income (loss)	$ 12,316	$ (33,952)	$ (29,291)	$ (31,879)
Net income (loss) per share - basic	$ 0.139	$ (0.383)	$ (0.330)	$ (0.360)
Net income (loss) per share - diluted	$ 0.139	$ (0.383)	$ (0.330)	$ (0.360)
Cash flow from operations(1)	$ 722	$ 984	$ 4,307	$ 6,726
Capital expenditures	$ 175	$ 163	$ 420	$ 937
Total assets	$ 104,618	$ 133,066	$ 104,618	$ 133,066

(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 management's discussion and analysis for the year ended December 31, 2016.

2016 Highlights

- The average daily natural gas production increased to 5.8 mmscfpd in 2016 from 4.0 mmscfpd in 2015 as a result of management's decision to shut-in most of the McCully wells from May 1, 2015 to October 29, 2015 as opposed to only partially shutting-in its natural gas production between September 2016 and November 2016. Management had determined in each of 2015 and 2016 to selectively shut-in its producing natural gas wells in the McCully Field as a long term optimization strategy to take advantage of the expected significant differential in the sale price of natural gas at the Algonquin city-gates ("AGT") for the summer/fall relative to the winter.

- Corridor entered into a forward sale agreement from December 1, 2016 to March 31, 2017 for an average of 4,755 mmbtupd of natural gas production. The forward sale volumes were based on AGT pricing but subject to lower transportation costs, resulting in an estimated increase of approximately $800 thousand of cash flow from operations over the term of the forward sale agreement.

- As part of its optimization strategy and to mitigate the risks associated with the volatility of natural gas prices, Corridor entered into the following financial hedges; 2,500 mmbtupd of natural gas production at a fixed price of $US6.50/mmbtu for the period from December 1, 2016 to March 31, 2017; 1,000 mmbtupd at a fixed price of $US7.30/mmbtu for the period from January 1, 2017 to February 28, 2017, and 1,000 mmbtupd at a fixed price of $US9.55/mmbtu for January 2017.

- In its reserves report dated March 1, 2017 in respect of the McCully Field in New Brunswick effective as at December 31, 2016 ("2016 GLJ Reserves Report"), GLJ Petroleum Consultants Ltd. ("GLJ") increased the estimate of future natural gas revenues due to lower future transportation costs expected as a result of an anticipated increase in the Company's sales to the local Maritimes market as opposed to the New England market. As a result, the net present value of proved plus probable reserves before income taxes discounted at 10% increased by 16% to $54.1 million.

- As at December 31, 2016, Corridor had cash and cash equivalents of $27,272 thousand, net working capital of $29,365 thousand and no outstanding debt.

Financial Summary for 2016

- Natural gas sales for 2016 decreased to $12,596 thousand from $15,086 thousand for 2015 due to the decrease in the average natural gas price to $5.96/mscf in 2016 from $10.23/mscf in 2015, partially offset by the increase in the average daily natural gas production to 5.8 mmscfpd in 2016 from 4.0 mmscfpd in 2015.

- Cash flow from operations decreased to $4,307 thousand for the year ended December 31, 2016 from $6,726 thousand for the year ended December 31, 2015 due to the lower natural gas sales.

- Net general and administrative expenses returned to a normal level in 2016 decreasing to $2,969 thousand from $4,175 thousand in 2015 due mostly to the costs associated with the establishment of the New Brunswick Responsible Energy Development Alliance in 2015 and to lower salary expenses in 2016 following a reduction in the personnel of the Company in Q2 2015.

- The Company recognized impairment losses of $15.7 million for the year ended December 31, 2016 which are the result of an initial impairment loss of $28.4 million recognized in Q2 2016 following the announcement by the Government of New Brunswick on May 27, 2016 of its decision to continue a moratorium on hydraulic fracturing for an indefinite period resulting in a material reduction in the Company's undeveloped reserves. However, this impairment was partially offset by a reversal of impairment loss of $12.7 million in Q4 2016 due to an increase in the 2016 GLJ Reserves Report of the estimated future natural gas revenues.

Q4 2016 Netback Analysis

	Three months ended December 31		Twelve months ended December 31	
thousands of dollars except $/mscf	2016	2015	2016	2015
Natural gas sales	$2,199	$ 3,433	$ 12,596	$ 15,086
Other revenues	157	197	945	790
Realized financial derivatives loss	(121)	-	(121)	-
Royalty expense	(54)	(70)	(276)	(371)
Transportation expense	(239)	(931)	(3,443)	(2,781)
Production expense	(616)	(785)	(2,421)	(2,428)
Field operating netback	$ 1,326	$ 1,844	$ 7,280	$ 10,296
Natural gas production per day (mmscfpd)	3.0	5.3	5.8	4.0
Barrels of oil equivalent per day (boepd)	505	890	963	673
Average natural gas price ($/mscf)	$ 7.88	$ 6.99	$ 5.96	$ 10.23
Natural gas revenues ($/boe)	$ 47.28	$ 41.92	$ 35.74	$ 61.39
Other revenues ($/boe)	3.37	2.41	2.68	3.22
Realized financial derivatives loss($/boe)	(2.60)	-	(0.34)	-
Royalty expense ($/boe)	(1.15)	(0.86)	(0.78)	(1.51)
Transportation expense ($/boe)	(5.15)	(11.37)	(9.77)	(11.32)
Production expense ($/boe)	(13.25)	(9.59)	(6.87)	(9.88)
Field operating netback ($/boe)	$ 28.50	$ 22.51	$ 20.66	$ 41.90
General and administrative expenses ($/boe)	(15.14)	(12.10)	(8.43)	(16.99)
Interest, foreign exchange and other ($/boe)	2.16	1.61	(0.01)	2.46
Cash flow from operations netback ($/boe)	$ 15.52	$ 12.02	$ 12.22	$ 27.37

- Corridor's cash flow from operations netback for Q4 2016 increased to $15.52/boe from $12.02/boe in Q4 2015 as a result of higher natural gas sales prices partially offset by lower natural gas production.

- Natural gas sales decreased to $2,199 thousand in Q4 2016 from $3,433 thousand in Q4 2015 due to lower natural gas production partially offset by an increase in the average natural gas price to $7.88/mscf in Q4 2016 from $6.99/mscf in Q4 2015. The decrease in the average daily natural gas production to 3.0 mmscfpd in Q4 2016 from 5.3 mmscfpd in Q4 2015 is due to management's optimization strategy to partially shut-in its natural gas production from September 2016 to November 2016 due to higher anticipated pricing in the winter of 2016/2017.

- Corridor's royalty expense for Q4 2016 decreased to $54 thousand from $70 thousand for Q4 2015 due to lower natural gas sales in Q4 2016.

- Transportation expense for Q4 2016 decreased significantly to $239 thousand from $931 thousand for Q4 2015 due to management's optimization strategy to partially shut-in its natural gas production from September 2016 to November 2016 and the Company's forward sale agreement in effect from December 1, 2016 to March 31, 2017 for the sale of 4,755 mmbtupd of natural gas production to the local Maritimes market as opposed to the New England market. As a result, transportation expense per boe decreased from $11.37/boe in Q4 2015 to $5.15/boe in Q4 2016.

- The decrease in net production expense to $616 thousand in Q4 2016 from $785 thousand in Q4 2015 is due to the cost of workover operations of $114 thousand during Q4 2015.

2016 Reserve Information

Corridor currently has natural gas reserves in the McCully Field near Sussex, New Brunswick. GLJ assessed Corridor's reserves in its report dated March 1, 2017 and effective as at December 31, 2016 ("2016 GLJ Reserves Report") and its updated report dated June 15, 2016 and effective December 31, 2015 ("GLJ 2015 Updated Reserves Report") (collectively, the

"GLJ Reports") which were both prepared in accordance with National Instrument 51-101 *Standards of Disclosure of Oil and Gas Activities* ("NI 51-101"). The GLJ 2015 Updated Reserves Report updated GLJ's initial reserves report effective December 31, 2015 to assess the impact on Corridor's reserves of the New Brunswick Government's announcement on May 27, 2016 of its decision to continue the moratorium on hydraulic fracturing for an indefinite period. The GLJ 2015 Updated Reserves Report demonstrated that the New Brunswick Government's decision resulted in a material reduction in Corridor's undeveloped reserves, future development capital and associated net present value of future revenue as Corridor's undeveloped wells no longer qualified as reserves given that such wells require hydraulic fracture stimulations. See Corridor's material change report dated June 16, 2016, a copy of which is filed on SEDAR at www.sedar.com.

The following table presents a summary from the GLJ Reports of Corridor's total gross natural gas and shale gas reserves, before the deduction of royalties, using forecast prices and costs.

Reserves Category	2016 Gross Reserves bscf	2015 Gross Reserves bscf
Total proved	15.9	18.8
Total probable	4.1	4.1
Total proved plus probable	20.0	22.9

The decrease in Corridor's proved plus probable natural gas reserves from December 31, 2015 to December 31, 2016 is primarily attributable to Corridor's production in 2016.

GLJ assessed the net present value of Corridor's natural gas, oil and natural gas liquids reserves in the GLJ Reports, based on GLJ's forecast prices as at January 1, 2016 and 2015, as applicable, as follows:

Net Present Value ($ in million) - undiscounted

	2016		2015	
Reserves Category	Before Income Tax(1)	After Income Tax(1)	Before Income Tax(1)	After Income Tax(1)
Proved	71.0	71.0	52.9	52.9
Proved plus probable	93.9	93.9	70.5	70.5

(1) The estimated value of future net revenue does not represent the fair market value of Corridor's reserves.

Net Present Value ($ in million) - discounted at 10%

	2016		2015	
Reserves Category	Before Income Tax(1)	After Income Tax(1)	Before Income Tax(1)	After Income Tax(1)
Proved	45.8	45.8	39.3	39.3
Proved plus probable	54.1	54.1	46.6	46.6

(1) The estimated value of future net revenue does not represent the fair market value of Corridor's reserves.

The increase in the net present value of Corridor's proved plus probable natural gas reserves is primarily attributable to the increase in the estimate of future natural gas revenues due to lower future transportation costs expected as a result of an anticipated increase in the Company's sales to the local Maritimes market as opposed to the New England market.

A summary of the 2016 GLJ Reserves Report will be available on Corridor's website at www.corridor.ca on or about March 30, 2017 and in Corridor's Annual Information Form for the year ended December 31, 2016, which is filed on SEDAR at www.sedar.com.

Anticosti Joint Venture

Corridor has a 21.67% interest in Anticosti Hydrocarbons L.P., which has undeveloped lands on Anticosti Island, Québec. The Anticosti Joint Venture is a limited partnership between Corridor, Ressources Québec Inc., a subsidiary of Investissement Québec (an affiliate of the Government of Québec), Pétrolia Inc. and Saint-Aubin E&P Québec Inc. formed to appraise and potentially develop hydrocarbon resources on Anticosti Island.

Beginning in December 2015, the Premier of Québec stated on numerous occasions that he is not in favor of the development of hydrocarbons on Anticosti Island and that he is willing to face the financial consequences of pulling out of the Anticosti Joint Venture and cancelling the agreements governing the Anticosti Joint Venture. Subsequently, in March 2016, the Premier issued a statement confirming that the Québec Government would respect the Anticosti Joint Venture agreements as long as the project met environmental standards.

In January 2017, the Québec Government announced its decision to support the designation of Anticosti Island as a UNESCO World Heritage site. If designated as a UNESCO World Heritage site, the Anticosti Joint Venture would not be permitted to engage in development or production of oil and gas on the Island. While the Québec Government confirmed its intention to respect the Anticosti Joint Venture agreements, there is uncertainty that Anticosti Hydrocarbons' drilling program will proceed in 2017. Corridor is reviewing its options to ensure the value of its investment in Anticosti Hydrocarbons is protected.

Old Harry

On January 15, 2017, the Canada - Newfoundland and Labrador Offshore Petroleum Board issued exploration license EL-1153 to Corridor in exchange for the surrender of exploration license EL-1105 covering the Newfoundland and Labrador sector of the Old Harry Prospect in the Gulf of St. Lawrence. The new exploration license expires on January 14, 2020, subject to extension by Corridor for an additional one year period (January 14, 2021) with the payment of a $1 million deposit.

Corridor intends to purchase a user license for a controlled source electro-magnetic ("CSEM") data program to investigate the resistivity of geological prospects over the Newfoundland and Labrador sector of the Old Harry prospect, similar to resistivity logging in well bores of potential hydrocarbon zones. Highly resistive layers in a geological structure measured with CSEM technology could indicate hydrocarbon bearing reservoirs and, therefore, would serve to reduce exploration risk and increase the likelihood of finding commercial quantities of hydrocarbons. The undertaking of the CSEM program, currently planned by an independent service provider for a seven day period in the fall of 2017, is subject to the receipt of the necessary regulatory approvals and vessel availability.

Guidance

Corridor has revised its guidance for the period from April 1, 2016 to March 31, 2017 from guidance previously disclosed on October 7, 2016 to reflect actual results to December 31, 2016 and expected natural gas prices from January 1, 2017 to March 31, 2017, as follows:

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

AGT average natural gas price	$US 3.40/mmbtu
USD/CAD exchange rate	$ 1.31 USD/CAD
Average natural gas price realized	$ 5.70/mscf
Average daily natural gas production	5.5 mmscfpd
Field operating netback	$ 7.2 million
Cash flow from operations [(1)]	$ 4.4 million
Field operating netback per mscf	$ 3.55/mscf
Cash flow from operations [(1)] per mscf	$ 2.20/mscf
Capital expenditures (for the calendar year 2016)	$ 0.4 million
Working capital estimate (as at March 31, 2017)	$ 33.2 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.

Notwithstanding a significant decrease in natural gas prices at AGT from those previously forecasted for the first quarter of 2017, Corridor's cash flow from operations for the period from April 1, 2016 to March 31, 2017 is only expected to decrease by $0.2 million to $4.4 million. This is due to the financial hedges Corridor put in place and lower general and administrative expenses.

Corridor is currently evaluating alternatives for its optimization strategy for the period from April 1, 2017 to March 31, 2018 and anticipates providing guidance for that period at its annual shareholders' meeting, currently scheduled for May 11, 2017.

"Corridor is well positioned for 2017," said Steve Moran, President and Chief Executive Officer. "Our balance sheet is very strong, with a forecast $33.2 million of positive working capital at the end of Q1 2017. We are very pleased with the results of our optimization strategy over the past two years, taking advantage of the winter pricing premium of our natural gas market, while preserving reserves for production in future years. We expect this winter pricing premium to continue for the foreseeable future. Corridor has been evaluating new opportunities to deploy our working capital, but with the prolonged downturn in commodity prices, we have been patient in our approach. We will continue to be selective in any opportunities we may decide to pursue."

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 with undeveloped lands 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: the characteristics of Corridor's and the Anticosti Joint Venture's properties; business plans and strategies (including plans to shut-in production to take advantage of expected price differentials), exploration and development plans, including timing of such plans (including the CSEM and Anticosti Hydrocarbons L.P.'s plans); expectation of the price of natural gas; expectations regarding Corridor's financial resilience and plans to maintain a strong balance sheet and the estimates of reserves and the net present values of reserves; the financial position of the Company; government plans, including in particular the Quebec Government's plans in respect of the Anticosti Joint Venture and Anticosti Island; and expectations regarding natural gas prices, the U.S. Canada exchange rate, natural gas production, operating netbacks, cash flow from operations, capital expenditures and working capital estimates;

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 Corridor and its shareholders.

Forward-looking statements are based on 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, 2016.

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.

Oil and Gas Advisory

Boe Conversion

All calculations converting natural gas to crude oil equivalent have been made using a ratio of six mscf of natural gas to one barrel of crude oil equivalent. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of six mscf of natural gas to one barrel of crude oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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