

March 15, 2017

Ref: 10-L-00XX-17

Mr. Scott Tessier  
Chair  
Canada-Newfoundland and Labrador  
Offshore Petroleum Board  
140 Water Street, 4th Floor, TD Place  
St. John's, NL, A1C 6H6

Dear Mr. Tessier:

**Re: Request to Delay Consultation with Respect to the Old Harry Drilling Project**

Exploration Licence 1153 (EL 1153) was issued to Corridor Resources Inc. (Corridor) on January 15, 2017 in exchange for the surrender of Exploration Licence 1105 (EL 1105). This exchange of licences was permitted in recognition of the fact that the regulatory review process was delayed for EL 1105. Corridor is now requesting an extension of the deadlines for completion of both the Environmental Assessment (EA) for the Old Harry Drilling Project, and for the EA consultation process as directed by the Minister of Environment for Canada in his letter dated August 15, 2011.

As we explain in more detail below, a delay will allow us to conduct additional technical exploration work and to revise our oil spill modelling. We believe a delay is in the public interest as the additional work we are planning can be then considered as part of the consultation process. A delay will provide stakeholders with an opportunity to better digest our updated oil spill model and the results of additional technical exploration work.

Corridor is confident that oil and gas activities can be conducted safely and in an environmentally-responsible manner in the Gulf of St. Lawrence (the "Gulf"). The science-based evidence presented in the 2014 Strategic Environmental Assessment (SEA) affirms the acceptability of petroleum-based activity in the Gulf, subject to project-specific environmental assessments. Further, the oil and gas industry has safely drilled of hundreds of wells offshore in Eastern Canada. Corridor believes that that this record of excellence will be maintained in the Gulf of St. Lawrence under the C-NLOPB's rigorous regulatory regime.

The drilling success of the oil and gas industry is largely the result of the application of the latest and most advanced technology to operations, both onshore and offshore. Seismic reflection surveying has been used for decades, but a relatively new technology has been adopted by the petroleum industry to help determine where, or even if, a well should be drilled at a given location. This technology is called Controlled Source Electro-Magnetic (CSEM) surveying. Positive results from this technology have allowed the petroleum industry to increase the success rate of exploration wells.

Consistent with our commitment to best practices in our operations, Corridor is planning to purchase a licensed copy of a CSEM survey scheduled to be conducted at the Old Harry site in the late summer or



early fall of 2017. Our plan is to use the survey results to assess the chance of success if an exploration well were to be drilled in that part of the Gulf of St Lawrence. As indicated above, a positive result from the CSEM survey would suggest that hydrocarbon deposits are likely present in the Old Harry prospect. Equally important, a less than encouraging result from the CSEM survey would suggest the absence of hydrocarbons, meaning that a well drilled at Old Harry would have a low technical chance of commercial success. In the case of a discouraging result from the CSEM program, Corridor would withdraw its application to drill a well at Old Harry.

Of course, Corridor is hopeful of a positive result from the CSEM survey, which would compel the company to advance its application to drill an exploration well because of the indicated presence of hydrocarbons at Old Harry from the CSEM data. Although the type of hydrocarbons cannot be confirmed by the CSEM data, verifying the presence of oil is a distinct possibility.

Corridor is also proposing to revisit its oil-spill modeling results presented in the Old Harry EA pursuant to comments received from Environment Canada and the Department of Fisheries. We are confident that our re-evaluation of the oil spill modeling will earn the confidence of aboriginal groups, the general public and regulators. Renewed work on the oil spill modeling will require several months to complete.

As a direct result of Corridor's: 1) intention to employ the CSEM technology to further de-risk exploration activity at Old Harry; and 2) desire to revisit the oil spill modeling component of the EA to gain the confidence of stakeholders, Corridor is requesting that aboriginal and public consultation with respect to the Old Harry EA be delayed until Fall, 2017. We understand this request will delay the approval time of the Old Harry EA, but we trust that the regulatory and consultation process will be sufficiently robust to permit an exploration well to be licensed and drilled within the term of our license EL 1153, given we will have nearly three and one quarter years of term remaining from the Fall of 2017.

Corridor thanks you for your consideration of this request, and naturally, remains available to discuss this request further at your convenience.

Sincerely,



Steve Moran, President and CEO  
Corridor Resources Inc.

CC: Terence Hubbard, Director General, Natural Resources Canada

Wes Foote, Assistant Deputy Minister – Petroleum Division, Newfoundland Department of  
Natural Resources