
PRESS RELEASE

CORRIDOR ANNOUNCES \$60 MILLION CAPITAL BUDGET FOR 2009

Halifax, Wednesday, January 14, 2009 -- **Corridor Resources Inc.** (CDH – TSX) announced today its capital and operating budget for 2009 as approved by its Board of Directors. The Corporation plans a total capital expenditure program of \$59.9 million, primarily related to drilling and completing additional natural gas production wells in its McCully Field in southern New Brunswick. The budget program is designed to increase natural gas production and revenues from the McCully Field and evaluate the oil and shale gas potential of the surrounding basin, while allowing the Corporation to maintain a strong balance sheet with no outstanding debt. Capital expenditures for 2009 will be based on the cash currently available and net cash flow projected to be available from 2009 natural gas production and sales. Priorities for 2009 include:

- (a) stepping out and drilling, testing, completing and tying in four new McCully appraisal and development wells in the Hiram Brook formation (including the C-29 well which was deferred in Q4, 2008) and extending the proven and probable reserves area of the McCully Field;
- (b) drilling and completing a step-out well to follow up on the South Branch G-36 oil discovery well at the Caledonia Field (announced in November, 2008);
- (c) drilling and evaluating an exploration well located approximately 4 kilometers southeast of the South Branch G-36 oil discovery well and designed to evaluate the oil and/or natural gas potential of sands in the upper Hiram Brook formation and the shale gas potential of the Frederick Brook formation;
- (d) frac'ing and testing the Green Road G-41 well (deferred from late 2008) to evaluate the shale gas potential of the Frederick Brook formation in the Elgin sub-basin;
- (e) seeking a joint venture partner to accelerate appraisal and potential development of the Frederick Brook shale gas opportunity in the Elgin and other areas within the basin; and
- (f) conducting a site survey at a proposed drilling location on the Old Harry structure in the Gulf of St. Lawrence in preparation for drilling an exploration well on the prospect within two years.

2009 Capital Budget

Corridor's 2009 capital budget is designed to be affordable within the Corporation's projected fiscal capacity, including approximately \$15 million of working capital carried forward from Corridor's 2008 fiscal year plus approximately \$58 million of anticipated net cash flow from McCully production during 2009. The budget assumes that no additional funds will be utilized from other sources such as equity financings, corporate debt or asset sales. The budget has been prepared based on several assumptions regarding projected capital expenditures, production volumes and sales gas prices. Revenues from gas sales are based on a gross average production forecast of 32 mmscf/day (22.4 mmscf/day net to Corridor), an average sales gas price of US\$6.00/MMbtu at Henry Hub (NYMEX) and an exchange rate of \$0.85 Canadian per US dollar. The production forecast has been based on hyperbolic decline curve projections keyed on production performance to date. The assumed US\$6.00/MMbtu gas price is currently approximately \$0.50 below the forward strip price for the remainder of 2009.

The total 2009 capital budget is forecast to be \$59.9 million net to Corridor's working interest. The budget projects that four new McCully appraisal and development wells will be drilled and cased by the end of May, 2009, at an estimated net cost to Corridor of \$24.5 million. The well completion budget is \$14.1 million net to Corridor for fracturing and testing at McCully, including completion of the I-47 horizontal well. Additional funds have been allocated to other activities, including \$8.5 million to drill, case and frac 2 step-out and appraisal wells (one of which is joint with PCS) in the recently discovered Caledonia oil field, \$2.8 million for tying in new wells to the McCully gas gathering system, \$2.3 million for Corridor's share of four exploration wells on Anticosti Island, \$0.8 million for a well-site survey at Old Harry and \$3.5 million for gas plant maintenance and other corporate assets. Also included in the budget is \$3.4 million carried over from 2008 for frac'ing the Green Road G-41 well and drilling two core holes at Sally's Brook.

Budget Flexibility

Corridor has the flexibility to expand, reduce or defer its drilling and frac program if available funds exceed or fall short of its projections in the 2009 budget. For example, expansion of the budget could see additional McCully development wells drilled later in the year if additional funds are available. Other contingent capital projects for 2009 include \$9.5 million to drill and frac a horizontal Frederick Brook shale well in the Elgin area (to be drilled and completed by Corridor if not funded by a prospective joint venture partner), funds for drilling and completing additional oil wells in the Caledonia Field, \$2.5 million for a 3-D seismic survey covering the eastern end of the McCully structure and potentially \$0.5 million to undertake 2-D seismic to further delineate the natural gas storage prospect located near Salt Springs in southern New Brunswick. Decisions regarding which, if any, of these options are to be pursued will be dependent upon availability of capital and other information obtained as operations progress. Corridor intends to monitor commodity prices closely and adjust capital expenditures accordingly.

Other Activities

Corridor is continuing with operations regarding completion, testing and preparing to tie in the McCully N-66 and I-47 horizontal wells and will be providing an update on results as they become available. Corridor expects results for N-66 to be available before the end of January and for I-47 by mid spring following frac'ing operations. The McCully year-end exit gross production exit rate averaged 29 mmscf/day, approximately 3 mmscf/day short of Corridor's previous projection, partly due to higher than expected wellhead back pressures for wells on the G-48 well pad (caused by the temporary flow-line configuration) and partly due to the less than expected production results for the "B" sand completion in the D-57 well. Net cash flow for 2008 is expected to be approximately \$55 million.

The Green Road G-41 exploration well has been drilled to a total depth of 2422 meters, logs have been run and the well has been cased in preparation for frac'ing operations planned to be conducted when the frac equipment returns to New Brunswick in the spring. The well encountered relatively thin (17 meters in total) hydrocarbon bearing sands in the Hiram Brook formation based on logs. The well penetrated 785 meters of Frederick Brook gassy shale, siltstone and minor (11 net meters) sandstone prior to reaching total depth in the lower Frederick Brook formation. Completion, testing and evaluation of the Frederick Brook shale formation is planned for this spring. Initial results for the Frederick Brook formation are very promising. Of particular interest is a massive, predominantly siltstone interval between 1753 and 1906 meters that is friable in nature and which exhibited strong shows of natural gas during drilling. In addition, approximately 10 meters of sheared, fractured black shale was recovered as conventional core cut from a deeper interval (1919 to 1929 meters), and numerous sidewall cores were collected for unconventional shale gas analysis.

Initial interpretation of the 3-D seismic survey conducted this past fall over the Caledonia oil field area has been completed and is providing the basis for selecting new well locations for follow-up drilling and potential development activities.

Corridor has signed confidentiality agreements with a number of potential joint venture participants in respect of the Frederick Brook shale gas opportunity. No assurance can be given that a mutually acceptable agreement will be reached with any party.

Corridor Resources Inc. is a Halifax, Nova Scotia based company focused on exploring and developing natural gas resources in the McCully Field and surrounding areas of southern New Brunswick. The Company has completed construction of a field gathering system, a gas plant, and a pipeline lateral connecting the McCully Field to markets through the Maritimes & Northeast Pipeline (M&NP). The Company initiated natural gas production to M&NP on June 28, 2007 and has an ongoing development drilling program underway to add reserves and production capacity as field development expands. Corridor is in the early stages of evaluating a recent oil discovery south of the McCully Field and promising shale gas potential in the McCully and Elgin areas. The Company also has other potentially high impact exploration projects planned elsewhere in eastern Canada.

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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: capital and operating budget for 2009; business priorities; capital expenditures; exploration and development drilling program; revenues; net cash flow; production levels; natural gas prices; debt levels; and sources of funding.

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.

These forward-looking statements are based on Corridor's current beliefs as well as assumptions made by, and information currently available to, Corridor concerning results from such development program. 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, 2007, and also in Corridor's most recent interim financial statements and management's discussion and analysis.

Certain of the forward-looking statements in this press release may constitute "financial outlooks" as contemplated by National Instrument 51-102 Disclosure Obligations, including information related to the capital and operating budget for 2009; capital expenditures; revenues; net cash flow; debt levels; and sources of funding, which are provided for the purpose of providing greater clarity and detail. Please be advised that the financial outlook in this press release may not be appropriate for purposes other than the one stated above.

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.