

Onshore History

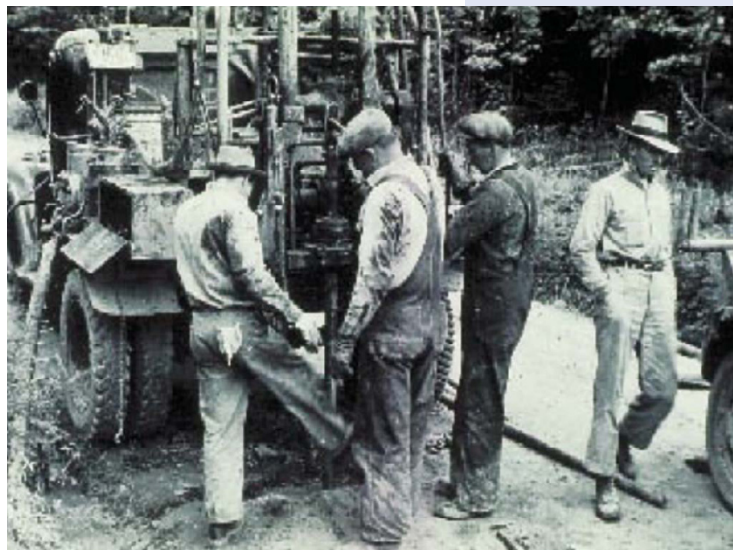
Nova Scotia has drilling records dating back to 1869, when oil began seeping up through the ground along the shores of Lake Ainslie.

A number of shallow wells have since been drilled over the last 130 years and small quantities of oil have been recovered for analysis and testing but no commercial production has been established.

Highlights:

130 years of exploration

- 129 wells drilled (only 30 went more than 1,000m)
- 20 wells in past seven years all over mainland Nova Scotia (Cumberland, Antigonish, Alton & Windsor)
- 1,500 km of seismic in past seven years
- First 3-D seismic survey and horizontal well in 2004
- 4 exploration wells in 2007
- Approval for Stealth Ventures Coal Gas Development Plan Fall 2007



Timeline:

1869 – the first well drilled onshore by Lake Ainslie Oil and Salt Company on the west side of Lake Ainslie. It flowed small amounts of oil and natural gas.

1909 – the discovery of the Stoney Creek oil and gas field in New Brunswick spurred more activity in Nova Scotia where the rock units are the same.

1978 to 1981 – Chevron Standard discovers oil in the Malagawatch area, Cape Breton while conducting base metals program targeting the Windsor carbonate build-ups.

1987 – an uncontrolled flow of gas lasted for a period of three weeks in a shallow well in central Nova Scotia near Truro.

Of the approximately 125 wells drilled specifically for oil and gas, only 27 were drilled deeper than 1,000 metres and 41 went less than 200 metres. One third of these wells

and another 66 mineral boreholes indicated the presence of oil or natural gas.

Recent years – There has been a resurgence of activity in recent years with more companies vying for onshore land positions. This may be attributable, in part, to discoveries in New Brunswick, results from current technology, seismic programs and the availability of a pipeline to carry natural gas to market.

These factors help make potential onshore developments more economically feasible.

2000 – 15 exploration agreements held by four exploration companies.

Corridor discovered the McCully Field in New Brunswick, currently producing 2 MMcf/d (million cubic feet per day) from the Horton Group rock formation. This production is similar to Nova Scotia geology.

2001 – the highest level of activity with 550 km of seismic acquired and five wells drilled by Northstar Energy/Devon Corporation all over Nova Scotia.

2002 – one well drilled and five seismic programs acquired

2003 – three Calls for Exploration Proposals at industry's request. Four seismic programs and two exploratory wells drilled.

2004 – two Calls for Exploration Proposals resulted in the awarding of four parcels of land. Nova Scotia's first horizontal well was undertaken while the first 3-D seismic survey was completed.

2005 – three wells were drilled.

2006 – three Calls for Exploration Proposals resulted in the awarding of one conventional parcel and an unconventional parcel. Four horizontal coalbed methane wells were drilled.

2007 – two seismic programs, four new exploration wells drilled, approval for Stealth Ventures Coal Gas Development Plan.

Corridor's McCully Field in New Brunswick, for year end 2007, produced 10.2 MMscf/d.

In the last seven years, a total of 20 wells have been drilled and more than 1,500 km of new seismic have been acquired and interpreted.

2008 – Call for Exploration Proposals on a block near Antigonish closed March 3, 2008. Successful proponent to be announced soon.

Future – The next few years will be important to Nova Scotia's onshore as companies employ new ideas, technologies and more detailed seismic, including 3-D, to define new targets. Application of horizontal drilling technology will minimize environmental impact and enable companies to validate newer play concepts.

