



Undercover Fraud Discovery Institute Investigation Captures on Tape Stock-touting Problems At InterOil Corporation

FDI launches new Web site about InterOil Corporation (NYSE:IOC) at InterNOOil.com (<http://www.interNOoil.com>) containing tapes and transcripts of undercover operation, and new YouTube explaining investigation.

For Immediate Release

SAN DIEGO/EWORLDWIRE/May 15, 2009 --- The Fraud Discovery Institute Inc. (FDI) (<http://www.frauddiscovery.net>) launched a new Web site today at InterNOOil.com (<http://www.interNOoil.com>) dedicated to the results of a several month undercover investigation of InterOil Corporation (IOC) (NYSE:IOC). The first release of information, with more to follow, contained an undercover, in-person meeting between a licensed private investigator operative and the Vice President of Investor Relations at InterOil Corporation, Mr. Wayne Andrews.

"This is a company that up until two days ago never reported a profit and never found oil in any material way and yet survives on hype which lead us to the 'head hyper'," stated Barry Minkow, the co-founder of the Fraud Discovery Institute Inc. "We focused on Mr. Andrews, because he was the 'lone analyst' following IOC for years while working at Raymond James, and he is currently the V.P. of capital markets and is in charge of investor relations. With no proven oil and gas reserves and little to no earnings, we opened up an investigation into just how much 'hyping' goes on behind closed doors at InterOil Corporation."

According to the transcript of one meeting, the FDI operative posed as a representative of several wealthy families who expressed interest in investing between \$25 million and \$50 million into a bulk stock purchase with a company destined for a substantial stock price increase. "Although Mr. Andrews attempts to qualify some of his statements - and even goes so far as saying 'I don't want to go to jail' for saying something inappropriate, he does appear to turn right around and say inappropriate things," added Minkow.

To prevent quotes being taken out of context, the Fraud Discovery Institute Inc. has released both the unabridged transcript and audio portion of the in-person meeting because, according to Minkow, "The tape speaks for itself and needs no application."

The newly released information did contain a brief "Summary of Concern" section of the new report in which certain statements by Mr. Andrews are especially troubling:

1. On pages 6, 14-15 of the transcript, Mr. Andrews no less than 3 times either agrees with the prediction of an IOC \$200 stock price or alludes to it himself.
2. The company on May 8 specifically says that the Antelope 1 project is in the "early stages" yet, on page 17 of the transcript, Mr. Andrews states just the opposite behind closed doors: "I'm telling you that I believe that you ought to be considering a very close look fairly quickly. It wouldn't surprise me to have new information very shortly."
3. On page 16, Mr. Andrews practically guarantees an "oil producing result" basically because "natural processes" virtually guarantee it. He states: "We expect there to be much richer condensate, and it's not like we're hoping to find that. It's natural that we should find that. and that condensate richness or condensate ratio is not factored into our reserve report."

Other examples exist within the transcript and the report.

Minkow concluded: "Our investigation has more to reveal shortly, but this serious touting problem is not rectified by IOC through the replacing of one person with someone else as vice president of investor relations. Our evidence appears to show that Mr. Andrews and others at IOC have no other choice but to resort to tactics

like implicitly and explicitly promising behind closed doors a future \$200 stock price and, when discussing the latest drilling results, stating things like 'guarantees from nature that condensate will appear' because it is our contention that this company is the skin of the truth stuffed with a lie."

Learn more about the Fraud Discovery Institute investigation of InterOil Corporation at InterNOil.com ('<http://www.interNOil.com>).

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