

**For Immediate Release****Title: Undercover FDI Investigation captures on tape stock-touting problems at InterOil Corp (NYSE:IOC)**

**Sub Title:** FDI launches new web site [www.interNOoil.com](http://www.interNOoil.com) containing tapes and transcripts of undercover operation and new YouTube explaining investigation.

Friday May 15<sup>th</sup>, 2009

The Fraud Discovery Institute, Inc ([www.frauddiscovery.net](http://www.frauddiscovery.net)) launched a new web site today dedicated to the results of a several month undercover investigation of InterOil Corp (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 Corp, Mr. Wayne Andrews.

“This is a company that up until 2 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’,” added Mr. 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 is currently the VP 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 Corp (NYSE:IOC).

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 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 Barry 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 Mr. 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 where 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 dollar stock price or alludes to it himself.

2. The company on May 8<sup>th</sup> 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. Mr Minkow concludes: "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 VP of investor relations because 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 dollar 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."