



FDI Releases Cumulative Evidence of Ponzi, Stock Hype at InterOil Corp.

"Multiple offerings totaling over a half billion dollars plus 'we found oil InterOil Corp (NYSE: IOC) press releases equals Ponzi every time," says FDI

For Immediate Release

SAN DIEGO/EWORLDWIRE/June 26, 2009 --- The Fraud Discovery Institute Inc. (FDI) has just released a detailed summary of InterOil Corp's (NYSE: IOC) history of stock offerings and stock hype. According to Barry Minkow, co-founder of the Fraud Discovery Institute Inc. and long-time teacher of continuing education (CPE) to Certified Public Accountants, InterOil Corp. is "a classic case of a Ponzi scheme that utilizes the fraud technique of drawing big conclusions from little evidence.

"For example, at ZZZZ Best, and much to my shame, in order to lie to the auditors and convince them that \$50 million - or 86 percent of our total revenue - was being derived from our carpet restoration work which occurred through the sudden flooding or fire damage to a commercial building, we employed the fraud technique of drawing big conclusions from little evidence," said Minkow.

"The technique was utilized at ZZZZ Best when I needed to prove the existence of the 20 restoration jobs by touring people on each building but could not because it was all a lie. So, in every case except one, I employed the technique of diversion by having the auditors, in a pre-Internet era, look at any yellow pages they could find to confirm that each and every advertising carpet cleaning company visibly advertised for 'emergency water damage and restoration' work.

"From that evidence I convinced those responsible for performing due diligence on ZZZZ Best just how competitively each carpet cleaning company advertised for this type of work because it was so profitable. I then inferred from that evidence that these jobs totaling \$50 million were perfectly in line with industry standards - but what I really did was draw a big conclusion '\$50 million in restoration jobs is true' based on the evidence of yellow page ads that were, in reality, carpet cleaning companies advertising for residences with broken water heaters in which the average job size was about \$1,000 per home. In like manner, InterOil Corp. has perfected the art of drawing big conclusions from little evidence by using the restoration equivalent of 'we found oil' to convince the investing public that they were imminently close to hitting it big."

According to Minkow, this tactic by InterOil has not gone unnoticed by keen observers, as one benchmark article published in Harper's Magazine in 2008 (<http://www.harpers.org/archive/2008/04/hbc-90002865>) which details the "auspicious" successful IOC trades executed in 2006 by Congressman Hoekstra of Michigan after IOC released another of its 'big conclusion-little evidence' claims. "I am simply amazed at the ability of InterOil's officers to make elaborate claims such as 'additional oil recovery' as recently as a June 19, 2009, press release (http://www.interoil.com/newsrelease/2009-06-19_Antelope_Update_Press_release_Final.pdf) - yet, in the 'fine print' of the same release, we see that it still has 'no reserves as defined in Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.' This big conclusion is still based on very little evidence," says Minkow.

To support these findings, FDI has released a detailed history of InterOil Corp. press releases and public offerings where the company clearly profited through the implementation of drawing big conclusions from little evidence.

To learn more, visit [FraudDiscovery.net](http://www.frauddiscovery.net) (<http://www.frauddiscovery.net>) or [InterNOOil.com](http://www.interNOOil.com) (<http://www.interNOOil.com>).

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