

November 18, 2005

Tri-Valley's gas sure smells fishy.

According to Tri-Valley Corporation's (AMEX: TIV \$9.55) press releases and website, it is "in its 43rd year of business as a successful operating company and for 32 years has been" a public company.

TIV has a nearly unblemished record of annual losses and a lifetime accumulated earnings deficit. TIV "went public" in 1981 by merging with a shell with \$14,000 in total assets. The combined total assets of the merged companies were \$305,896. At the time of the merger the combined companies had already issued 2.9 million of their shares at an average selling price of \$0.38 per share. TIV's stock sales now total 22.6 million shares sold at an average price of \$0.98. Perhaps stock promotion is the operation that TIV is referring to as "successful." However, all of its past stock schemes pale in comparison to the operation started at the end of 2002.

On December 12, 2002, TIV announced that it had retained Global Business Partners Holdings, Inc. to "schedule meetings with prospective European investors." Richard H. Langley Jr. is Global Business Partners president, treasurer, and secretary. Mr. Langley certainly appears to have augmented TIV's long history of stock promotion schemes.

An October 11, 1996 Bloomberg Business News article headlined "45 Stock Promoters Stung in FBI Fraud Crackdown" mentions Mr. Langley as one of the stock promoters charged as a result of a three year FBI investigation. The article states that the investigation uncovered stock promoters who "bribed brokers to get them to tout certain shares."

In 2000 Mr. Langley pled guilty to conspiracy to commit wire fraud. Mr. Langley agreed to a Cease-and-Desist Order from the SEC that expressly barred him "from participating in penny stock offerings." Mr. Langley did not admit or deny the SEC findings. Apparently the order may not have prevented the continuation of Mr. Langley in securities dealings in Europe. Mr. Langley was hired to promote TIV in Europe where the stock is listed on the Berlin and Frankfurt stock exchanges.

There may be a lesson for TIV shareholders in studying Mr. Langley's involvement with Applied DNA Sciences (APDN.OB, \$0.30). A March 18, 2005 USA Today article titled "Giuliani firm's deal to advise company raises questions." stating that Giuliani Partners "has signed a multi-million dollar deal with a struggling Los Angeles business backed by investors with a history of securities-related charges, regulatory records show" notes that in addition to climbing quickly Applied DNA's shares are also "lightly traded and held by a small number of investors" and that such factors are "red flags that can signal market manipulation." After a Giuliani Partners fed increase in the value of the stock, but before Giuliani Partners termination of its agreement decreased the value of the stock, Mr. Langley's company sold shares of Applied DNA stock.

TIV's investors may want to consider the prior associations of TIV director Harold Noyes, and those of Marshall Pettit and Peter Tarnoff who are officers of a company that has partnered with TIV in a joint venture.

Harold Noyes is listed as President of Select Resources, a wholly owned TIV subsidiary. He is also a member of TIV's Board of Directors since March 18, 2002. Mr. Noyes is a former President of North Star Exploration from 1997 to 2000. North Star was an Emex Corporation subsidiary.

In May 2001 Emex claimed in a press release that they had secured "\$100 million financing agreement from Credit Suisse First Boston" Credit Suisse denied any role in the financing. Emex was forced to acknowledge that Credit Suisse had not entered in to any financing agreements after trading in its stock was halted. Emex Corporation filed for bankruptcy on December 31, 2002.

Alpha Minerals & Chemicals LLC is a joint venture of Select Resources a TIV wholly owned subsidiary and Trans-Western Materials. Marshall Pettit and Peter Tarnoff are both Trans-Western officers. According to a July 19, 2000 Seattle Times article titled "Money, ethical issues go beyond Fiji" Mr. Pettit's firm employed George Speight who led a coup in May of 2000 that overthrew Fiji's government. Mr. Speight is currently serving a life sentence for treason.

Peter Tarnoff is the former Under Secretary of State for Political Affairs and is also a Senior Director at Stonebridge International that is headed by former National Security Adviser Sandy Berger. Mr. Berger pled guilty to removing classified documents out of the National Archives in 2003 was fined \$50,000 and lost his security clearance for three years.

The proxy statement that gave birth to TIV as a public company was filed with the SEC on April Fool's Day 1981. The filing contains a copy of a California certified consulting petroleum engineer's report on TIV's oil and gas reserves. The report concludes that TIV "has no proved undeveloped reserves." After 43 years except for TIV's use of terms like "postulate reserves" little else appears to have changed.

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