December 22, 2005

*TIV adds "flow" to its irregular claims.*

On November 8, 2005, Tri-Valley Corporation (AMEX: TIV, $8.04) issued a press release claiming that it had "recompleted its Martins-Severin No. 3" well and that it had "an initial flow rate of more than 1 million cubic feet per day" of natural gas.

According to the production data submitted to the California Department of Conservation ("CDC") the Martins-Severin No. 3 has produced zero (none) mcf of natural gas for the past year, through August. The CDC has received no production data that would verify TIV's claim. TIV is required to report well production data on a monthly basis. The last month that TIV submitted production data on the Martins-Severin No. 3 was August 2005.

The California Public Resources Code ("CPRC") requires that production data on wells that are not listed as "abandoned and plugged" be submitted on a monthly basis. The CPRC also spells out the civil penalties and fines that may be given to companies that are not in reporting compliance.

The recent spate of so-called "flow" activity by TIV brings two other press releases to mind. On February 25, 2004 TIV announced that it had "successfully completed a zone in its Elk Ridge Natural gas exploration prospect" and that "the Company expects to flow the well unstimulated from a tight zone at 350,000 cubic feet per day." According to the CDC no data has ever been submitted for the only TIV well listed as "Elk Ridge." In fact, according to the CDC, the well was never drilled.

Also on December 14, 2005 TIV announced that they had re-completed the Moffat No. 2 well and that the well is "flowing at a steady 200,000 cubic feet per day." According to the CDC, the only well listed by TIV in their Moffat Ranch lease has produced zero (none) mcf of natural gas through August 2005.

According to the CDC, TIV's total natural gas production for the month of August 2005, in the entire state of California was 500,000 thousand cubic feet ("500mcf") of natural gas. At current market prices that is about $7,000 worth of natural gas. August is also the most recent month that TIV has submitted production data for its statewide operations. And of course, with all funny accounting of other people’s money that goes on at TIV, who knows who belongs to this $7,000.

Whether the Martins-Severin No. 3 and the Moffat No. 2 are producing any more natural gas than the listed zero mcf the last time data was submitted for the wells remains to be seen. However, given TIV's failure to comply with reporting rules and track record in issuing press releases with questionable information it would not be the first time the company has made hyperbolic statements regarding anticipated production that turn out bad for investors.

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