

Cause No. _____

STEAMFITTERS LOCAL 449 PENSION
FUND, Derivatively on Behalf of TETRA
TECHNOLOGIES, INC.,

Plaintiff,

vs.

RALPH S. CUNNINGHAM, PAUL D.
COOMBS, TOM H. DELIMITROS,
GEOFFREY M. HERTEL, ALLEN T.
McINNES, KENNETH P. MITCHELL,
WILLIAM D. SULLIVAN, KENNETH E.
WHITE, JR., HOYT AMMIDON JR.,
STUART M. BRIGHTMAN, JOSEPH M.
ABELL III, EDWIN H. GOLDMAN, PHILIP
N. LONGORIO, DENNIS R. MATHEWS,
BASS C. WALLACE, JR., BEN C.
CHAMBERS, BRUCE A. COBB, LINDEN H.
PRICE, GEORGE M. McCARROLL and
GARY C. HANNA,

Defendants,

- and -

TETRA TECHNOLOGIES, INC., a Delaware
corporation,

Nominal Defendant

IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

_____ JUDICIAL DISTRICT

SHAREHOLDER DERIVATIVE ORIGINAL PETITION

DISCOVERY LEVEL

1. Pursuant to Rule 190.1 of the Texas Rules of Civil Procedure, plaintiff would show that discovery should be conducted under Level 3 of this Rule due to the complexity of the case.

NATURE OF THE ACTION

2. This is a shareholder's derivative action brought on behalf of nominal defendant TETRA Technologies, Inc. ("TETRA" or the "Company") against the members of the Company's Board of Directors (the "Board") and certain of its executive officers seeking to remedy defendants' breaches of fiduciary duties, abuse of control, gross mismanagement, corporate waste and other improper acts resulting in their unjust enrichment to the detriment of TETRA.

3. As detailed herein, defendants knowingly and intentionally made materially false and misleading statements concerning the Company's earnings guidance for 2007, which had the intended result of artificially inflating TETRA's stock price during the period from January 3, 2007 to October 16, 2007 (the "Relevant Period") and allowing defendants and other TETRA insiders to profit from more than \$27.8 million in illegal insider trading, as detailed herein.

4. Specifically, defendants falsely told the market on January 3, 2007 that 2007 earnings would be between \$1.80 and \$2.15 per diluted share and that revenue would be between \$1,118 and \$1,240 million. Defendants attributed much of the estimated 2007 growth to the expansion of TETRA's Well Abandonment Decommissions ("WA&D") division, among other things. In fact, defendants intentionally concealed and failed to disclose to investors that the Company's WA&D division was not performing according to internal expectations and that the Company failed to timely take a charge for insurance receivables, which remain uncollected. When defendants ultimately were forced to reveal these adverse facts, the price of TETRA's common stock fell precipitously. TETRA suffered not only the deflation of its stock price, but experienced an adverse impact from the negative impact to its reputation and from exposure to civil liability from shareholders.

5. By failing to disclose to investors that the Company's WA&D division was not performing according to internal expectations and that the Company failed to timely take a charge for insurance receivables, defendants presented a misleading picture of TETRA's business and prospects. Defendants' false and misleading statements had the intended effect and caused TETRA's common stock to trade at artificially inflated levels throughout the Relevant Period, reaching as high as \$30.14 per share on July 12, 2007. Ultimately, on August 3, 2007, TETRA was forced to revise its earnings guidance for 2007 down to \$1.30 to \$1.50 per share, which announcement caused TETRA stock to decline more than 25% in one day of trading, falling from \$26.41 per share down to \$19.77 per share, a loss of \$6.64 per share. Defendants continued, however, to conceal the adverse news about TETRA, ultimately announcing on October 16, 2007 that, contrary to its earlier announcements about guidance for 2007, the Company was completely withdrawing its earnings guidance for 2007. The announcement caused TETRA stock to decline an additional \$1.76 per share, or 8.14%, to close on October 16, 2007 at \$19.86 per share. Overall, as a direct result of defendants' belated disclosures on August 3, 2007 and October 16, 2007, the price of TETRA common stock fell by a collective \$8.40 per share. As detailed herein, defendants breach their fiduciary duties to TETRA and its shareholders not only through the artificial inflation and manipulation of its stock price, but by undertaking the scheme for their own improper personal advantage via profiting from over \$27.8 million in illegal insider trading.

JURISDICTION AND VENUE

6. Venue is proper in Harris County, Texas because numerous individual defendants are natural persons who were residents of Harris County, Texas at the time the causes of action accrued, and continue to be residents of Harris County, Texas. TEX. CIV. PRAC. & REM. CODE § 15.002(a)(2). In addition, all or a substantial part of the events or omissions giving rise to the claim occurred in Harris County, Texas. TEX. CIV. PRAC. & REM. CODE § 15.002(a)(1). Because venue is proper as to

some defendants in Harris County, Texas, it is proper as to all defendants in Harris County, Texas. TEX. CIV. PRAC. & REM. CODE § 15.005.

PARTIES

7. Plaintiff Steamfitters Local 449 Pension Fund purchased TETRA stock in October 2005 and has held the stock continuously since that time. Plaintiff Steamfitters Local 449 Pension Fund resides in Pittsburgh, Pennsylvania.

8. Defendant Ralph S. Cunningham (“Cunningham”) has served as a director of the Company since 1999, and as Chairman of the Board of Directors since December 2006. Cunningham has served on the Audit Committee from 1999 to the present. Cunningham served on the Nominating & Corporate Governance Committee from 1999 to the present, serving as Chairman from 2004 to approximately 2006. On April 4, 2007, Cunningham, based upon his knowledge of material non-public information about the Company, sold a total of 8,000 shares of TETRA common stock, for illegal insider trading proceeds of \$199,823. Defendant Cunningham may be served with process at 5128 Tangle Lane, Houston, Texas 77056-2116.

9. Defendant William D. Sullivan (“Sullivan”) has served as a director of the Company since August 2007. Sullivan currently serves on the Management and Compensation Committee. Defendant Sullivan may be served with process at 10300 Cypresswood Drive, Apt. 1821, Houston, Texas 77070-6510.

10. Defendant Stuart M. Brightman (“Brightman”) has served as a director and as the Company’s President and Chief Executive Officer from approximately May 5, 2009 to the present. From April 2005 until May 5, 2009, Brightman served as Executive Vice President and Chief Operating Officer. Defendant Brightman may be served with process at 123 Plantation Road, Houston, Texas 77024-6215.

11. Defendant Joseph M. Abell III (“Abell”) served as Senior Vice President and Chief Financial Officer of the Company from May 2001 to present. Defendant Abell may be served with process at 15 River Circle, Houston, Texas 77063-1502.

12. Defendant Edwin H. Goldman (“Goldman”) as served as a Senior Vice President of the Company from August 2008 to the present. Defendant Goldman may be served with process at 2516 Bagby Street, Houston, Texas 77006-1606.

13. Defendant George M. McCarroll (“McCarroll”) is, and at all relevant times hereto was, the President of Maritech Resources, Inc., a TETRA subsidiary. McCarroll, based upon his knowledge of material, non-public information about the Company sold a total of 17,500 shares of TETRA common stock for illegal insider trading proceeds of \$418,352. Defendant McCarroll may be served with process at 103 Park Laureate Drive, Houston, Texas 77024-5636.

14. Defendant Gary C. Hanna (“Hanna”) was, at all times relevant hereto, a Senior Vice President of the Company. Hanna resigned effective March 1, 2008. Hanna, based upon his knowledge of material, non-public information about the Company, sold 23,453 shares of TETRA common stock for illegal insider trading proceeds of \$666,400. Defendant Hanna may be served with process at 3771 Carlon Street, Houston, Texas 77005-3701.

15. Defendant Linden H. Price (“Price”) has served as Vice President – Administration of the Company from May 2001 to the present. Price served as Director of the Company’s Human Resources department from September 1993 to the present. Price, based upon his knowledge of material, non-public information about the Company, sold a total of 28,880 shares of TETRA common stock, for illegal insider trading proceeds of \$823,080. Defendant Price may be served with process at 6607 Wanita Place, Unit B, Houston, Texas 77007-2153.

16. Defendant Philip N. Longorio (“Longorio”) has served as a Senior Vice President of the Company from February 2008 to present. Defendant Longorio may be served with process at 14 English Heather Place, Spring, Texas 77382-1076.

17. Defendant Paul D. Coombs (“Coombs”) has been a director of the Company since June 1994. From April 2005 to June 2007, Coombs served as Executive Vice President of Strategic Initiatives, and from May 2001 to April 2005, as Executive Vice President and Chief Operating Officer. Coombs served as Senior Vice President – Oil & Gas from 1987 to 1994, and as General Manager – Oil & Gas from 1985 to 1987. Coombs has held various other positions at the Company dating back to 1982, including serving on the Audit Committee during all or part of 1998 and 1999. Coombs, based upon his knowledge of material, non-public information about the Company, sold a total of 225,004 shares of TETRA common stock, for illegal insider trading proceeds of \$6,246,112. Defendant Coombs may be served with process at 130 April Breeze Street, Montgomery, Texas 77356-5882.

18. Defendant Tom H. Delimitros (“Delimitros”) has served as a director of the Company since 1994. Delimitros has served on the Audit Committee, as Chairman, from 2006 to the present. Delimitros has served on the Management and Compensation Committee from 1999 to present, serving as Chairman from at least 1999 to 2005. Delimitros served on the Nominating & Corporate Governance Committee from 1999 to at least 2005. Delimitros, based upon his knowledge of material, non-public information about the Company, sold a total of 18,000 shares of TETRA common stock, for illegal insider trading proceeds of \$408,050. Defendant Delimitros may be served with process at 6813 Golf Drive, Dallas, Texas 75205-1215.

19. Defendant Geoffrey M. Hertel (“Hertel”) has been a director of the Company since 1984. Hertel is currently an employee of the Company via the May 5, 2009 Transition Agreement

he signed with the Company, continuing his employment through January 5, 2012 at a rate of \$33,333 per month. Formerly, Hertel served as the Company's President from May 2000 to May 5, 2009, and as Chief Executive Officer from May 2001 to May 5, 2009. From January 2000 to May 2001, Hertel served as the Company's Chief Operating Officer. From January 1994 to 2000, Hertel served as Executive Vice President – Finance and Administration. Hertel joined the Company in March 1993 as Senior Vice President – Finance and Administration. From 1981 to 1984, Hertel was “associated” with the Company as a nonvoting director and special consultant to the Board. Hertel, based upon his knowledge of material, non-public information about the Company, sold a total of 480,000 shares of TETRA common stock, for illegal insider trading proceeds of \$12,696,586. Defendant Hertel may be served with process at 2815 Fairway Drive, Sugar Land, Texas 77478-4020.

20. Defendant Allen T. McInnes (“McInnes”) has served as a director of the Company since 1993. McInnes served as the Company's President and Chief Executive Officer from April 1, 1996 to January 27, 2000. McInnes has served on the Company's Audit Committee from 2005 to present. McInnes served on the Nominating & Corporate Governance Committee from 1999 to 2000 and 2002 to present. McInnes, based upon his knowledge of material, non-public information about the Company, sold a total of 36,000 shares of TETRA common stock, for illegal insider trading proceeds of \$972,050. Defendant McInnes may be served with process at 4532 7th Street, Lubbock, Texas 79416-4713.

21. Defendant Kenneth P. Mitchell (“Mitchell”) has served as a director of the Company since 1997. Mitchell has served on the Management and Compensation Committee from 1999 to present. Mitchell served on the Audit Committee from 2000 to at least 2005, on the Nominating & Corporate Governance Committee from 1999 to present, and as Chairman of the Nominating &

Corporate Governance Committee from at least March 2007 to present. Mitchell, based upon his knowledge of material, non-public information about the Company, sold a total of 30,000 shares of TETRA common stock, for illegal insider trading proceeds of \$700,369. Defendant Mitchell may be served with process at 17 Tarrow Ridge Road, Savannah, Georgia 31411-3046.

22. Defendant Kenneth E. White, Jr. (“White”) has served as a director of the Company since 2002. White has served on the Management and Compensation Committee from 2005 to present and has served as Chairman of the Committee from 2006 to present. White served on the Nominating & Corporate Governance Committee from 2003 to 2005. White has also served on the Audit Committee from 2003 to present. Defendant White may be served with process at 1928 Robin Lane, Flower Mound, Texas 75028-4597.

23. Defendant Hoyt Ammidon Jr. (“Ammidon”) served as a director of the Company from 1998 to May 9, 2008. Ammidon was a member of the Audit Committee from at least 1999 to 2008, during which period Ammidon served as the Chairman of the Audit Committee from at least 1999 to 2004. Ammidon was a member of the Management and Compensation Committee from at least 1999 to 2008. Ammidon was a member of the Nominating & Corporate Governance Committee from at least 2000 to approximately 2005. Defendant Ammidon may be served with process at 167 Kestrel Court, Manchester, Vermont 05254.

24. Defendant Dennis R. Mathews (“Mathews”) has served as a Senior Vice President of the Company from January 2001 to the present. Mathews served as Vice President of TETRA International since 1994, as General Manager of the INTEQ/TETRA joint venture from 1991 to 1994, and in numerous other positions with the Company since 1982. Mathews, based upon his knowledge of material, non-public information about the Company, sold a total of 75,000 shares of

TETRA common stock, for illegal insider trading proceeds of \$2,107,716. Defendant Mathews may be served with process at 12805 Pearson Road, Montgomery, Texas 77356-4907.

25. Defendant Bass C. Wallace, Jr. (“Wallace”) has served as General Counsel of the Company from 1994 to the present and as Corporate Secretary from 1996 to the present. Wallace, based upon his knowledge of material, non-public information about the Company, sold a total of 15,298 shares of TETRA common stock, for illegal insider trading proceeds of \$420,027. Defendant Wallace may be served with process at 11707 Timberknoll Street, Houston, Texas 77024-6305.

26. Defendant Ben C. Chambers (“Chambers”) has served as Vice President – Accounting and Controller of the Company from May 2001 to present. Chambers served as Chief Accounting Officer from May 2000 to May 2001. Chambers has been employed by TETRA since 1993, and served as Controller of the Oil & Gas Services Division from January 1995 to May 2000. Chambers, based upon his knowledge of material, non-public information about the Company, sold a total of 33,770 shares of TETRA common stock, for illegal insider trading proceeds of \$907,279. Defendant Chambers may be served with process at 14 Pleasure Cove Drive, The Woodlands, Texas 77381-3317.

27. Defendant Bruce A. Cobb (“Cobb”) has served as Vice President – Finance and Treasurer of the Company from May 2001 to present. Cobb served as Controller and Treasurer from May 2000 to May 2001 and as Chief Accounting Officer from June 1999 to May 2000. Cobb served as Controller from 1991 to May 1999. From 1973 to 1979, Cobb was employed by Ernst & Young as an accounting professional. Cobb, based upon his knowledge of material, non-public information about the Company, sold a total of 45,000 shares of TETRA common stock, for illegal insider trading proceeds of \$1,243,251. Defendant Cobb may be served with process at 111 S. Mill Trace Drive, The Woodlands, Texas 77381-3845.

28. Nominal defendant TETRA is a Delaware corporation with its principal place of business located at 24955 Interstate 45 North, The Woodlands, Texas. TETRA's filings with the Securities and Exchange Commission ("SEC") report that the Company is an oil and gas services and production company with an integrated calcium chloride and brominated products manufacturing operation that supplies feedstocks to energy markets, as well as to other markets. During the Relevant Period, TETRA had three divisions: (1) Fluids; (2) WA&D; and (3) Production Enhancement.¹ Nominal defendant TETRA may be served with process at 24955 Interstate 45 North, The Woodlands, Texas 77380.

29. Defendants Cunningham, Coombs, Delimitros, Hertel, McInnes, Mitchell, Mathews, Wallace, Chambers, Cobb, Linden, McCarroll and Hanna are collectively referred to herein as the Insider Selling Defendants.

30. Defendants Cunningham, Delimitros, McInnes, Mitchell, White and Ammidon are collectively referred to herein as the Audit Committee Defendants.

31. Defendants Delimitros, Mitchell, White, Ammidon and Sullivan are collectively referred to herein as the Compensation Committee Defendants.

32. As used herein, the term "Defendants" includes all individuals named as defendants herein.

DEFENDANTS' FIDUCIARY OBLIGATIONS

33. Each of the Defendants, as officers and directors of TETRA, owed TETRA the duty to exercise the highest degree of candor, good faith, fidelity, and loyalty, as well as due care and diligence in the management and administration of the affairs of the Company and in the use and

¹ The WA&D division is now known as the Offshore division. The WA&D division consists of two operating segments: the WA&D Services and Maritech segments.

preservation of its property and assets. The Defendants were and are required to act in furtherance of the best interests of the Company and its shareholders so as to benefit the Company and all shareholders equally, and not to act in furtherance of Defendants' own personal or financial benefit.

34. To discharge the aforesaid duties, Defendants were required to exercise reasonable and prudent supervision over the management, policies, practices, controls and financial affairs of TETRA and its compliance with applicable federal and state laws pursuant to their fiduciary obligations to use the same care and diligence as would an ordinary prudent person in a like position. Specifically, Defendants were required to, among other things:

(a) In good faith manage, conduct, supervise and direct the business and affairs of TETRA carefully and prudently and in accordance with the laws of Texas, Delaware, and the laws of the United States and the rules and regulations and the charters, governance guidelines, and by-laws of TETRA;

(b) Neither violate nor knowingly permit any officer, director or employee of TETRA to violate applicable federal and state laws, rules and regulations or any rule or regulation of TETRA;

(c) Remain informed as to the status of TETRA's operations, and upon receipt of notice or information of imprudent or unsound practices, to make a reasonable inquiry in connection therewith, and to take steps to correct such conditions or practices and make such disclosures as are necessary to comply with all applicable laws;

(d) Supervise the preparation, filing and/or dissemination of TETRA's press releases, reports, communications with regulatory agencies, or other information required by law, to examine and evaluate any reports or examinations or other financial information concerning the

condition of TETRA's business and its compliance with the federal and state regulations and laws;
and

(e) Promptly disseminate accurate and truthful information concerning the Company's operations, performance, services, management, projections and forecasts so that the market price of the Company's stock would be based upon truthful and accurate information.

35. The conduct of the Defendants complained of herein involves a violation of their obligations as officers and directors of TETRA, as well as an absence of good faith on their part as the Defendants were either aware or should have been aware of, or deliberately disregarded, the conduct which posed a risk of serious injury to the Company. Defendants caused the Company to issue materially false and misleading representations to the investing market and to TETRA shareholders in order to artificially inflate TETRA's stock price in order to permit the Insider Selling Defendants to pocket millions of dollars in insider trading proceeds, as well as to permit all Defendants to continue to earn compensation that was not justified due to their failure to properly conduct TETRA's business operations. Defendants' conduct permitted them to continue and prolong the illusion of the Company's success, financial position and future prospects so that they could protect and perpetuate their directorial and/or executive positions, increase the substantial compensation, perks and prestige they obtained thereby, and enhance their own professional careers. Such participation involved, among other things, planning and creating (or causing to be planned and created), proposing (or causing the proposal of), and authorizing, approving and acquiescing in the conduct complained of herein. Each of the Defendants, including all members of TETRA's Board, either took affirmative steps to engage in this conduct (*i.e.*, by drafting or issuing materially false statements and/or engaging in insider trading) and/or failed to take appropriate action to prevent this conduct.

36. The Defendants, as executive officers and directors of TETRA, were responsible for maintaining and establishing adequate internal accounting controls for the Company and to ensure that the Company's financial statements were based on accurate financial information. According to Generally Accepted Accounting Principles ("GAAP"), to accomplish the objectives of accurately recording, processing, summarizing, and reporting financial data, a corporation must establish an internal accounting control structure. Among other things, the Defendants were required to:

(a) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and

(b) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that;

(i) transactions are executed in accordance with management's general or specific authorization; and

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP.

37. The conduct described herein represents a particularly egregious violation of Defendants' fiduciary duties given that each defendant not only violated applicable law, but also violated TETRA's internal policies designed to prevent such conduct.

38. For example, TETRA's current Code of Business Conduct and Ethics ("Business Code"), effective as of March 10, 2004, which was applicable to every director, officer and employee, placed restrictions on Defendants' conduct in order to further TETRA's "fundamental principles of honesty, loyalty, fairness and forthrightness" by "deter[ring] wrongdoing and promot[ing]," among other things: "1. Honest and ethical conduct; 2. Avoidance of conflicts of interest; 3. Full, fair, accurate, timely and transparent disclosure; 4. Compliance with the applicable

government and self-regulatory organization laws, rules and regulations; 5. Prompt internal reporting of [Business] Code violations; and 6. Accountability for compliance with the [Business] Code.” In engaging in the conduct herein described, Defendants violated, among others, the following specific provisions of TETRA’s Business Code:

Accounting Policies

TETRA and each of our subsidiaries will make and keep books, records and accounts, which in reasonable detail accurately and fairly present the transactions and disposition of the assets of our Company.

All directors, officers, employees and other persons are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. . . .

No director, officer or employee of the Company may directly or indirectly make a materially false or misleading statement, or omit to state any material fact necessary to make statements made not misleading, in connection with (1) the preparation or audit of any financial statements by the Company’s independent accountants; (2) the preparation of any required reports, whether by independent or internal accountants; or (3) any document to be filed with the Securities and Exchange Commission (“SEC”).

* * *

Disclosure Policies and Controls

The continuing excellence of the Company’s reputation is dependent upon our full and complete disclosure of important information about the Company that is used in the securities marketplace. Our financial and non-financial disclosures and filings with the SEC must be transparent, accurate and timely. Proper reporting of reliable, truthful and accurate information is a complex process involving cooperation between many departments and disciplines. We must all work together to ensure that reliable, truthful and accurate information is disclosed to the public.

* * *

Insider Trading or Stock Tipping

“Non public” information is information that has not been publicly disclosed. Directors, officers and employees who are aware of material, non public information about the Company are not permitted, directly or through family members or other persons, to:

- Buy or sell stock or other securities of TETRA, or

- Pass on, tip or disclose such information to others outside the Company, including family members and friends.

Examples of information that is or may be considered material, non public information are:

- annual, quarterly or monthly financial results, a change in earnings or earnings projections, or unexpected or unusual gains or losses in major operations

39. Defendants' conduct described herein also violated TETRA's current Code of Ethics for Senior Financial Officers, effective March 10, 2004 ("Officer Code"), which provides in pertinent part:

The President and Chief Executive Officer, Chief Financial Officer, Vice President – Accounting, Vice President – Finance, Treasurer, and all Assistant Treasurers and controllers of TETRA Technologies, Inc. (the "Company"), and any other employee of the Company performing similar functions, hold important and elevated roles in corporate governance in that they are uniquely capable and empowered to appropriately balance, protect and preserve the interests of all shareholders in the Company. The honesty, integrity and ethical conduct of the Company's senior financial officers are fundamental to the proper functioning, reputation and success of the Company. While the senior financial officers must adhere to the Company's Code of Business Conduct and Ethics, under this Code they must also:

1. Act with utmost honesty and integrity, including ethically handling actual and apparent conflicts of interest between personal and professional relationships involving the Company.
2. Provide information in the Company's filings with and other submissions to the Securities and Exchange Commission (the "SEC") and in other public disclosures made by the Company that is full, fair, accurate, timely and understandable.
3. Comply with all applicable laws, rules and regulations of federal, state and local governments, and other appropriate private and public regulatory agencies, including the SEC and the New York Stock Exchange (the "NYSE").
4. Report any violations of this Code or the Company's Code of Business Conduct and Ethics of which they become aware to the Chairman of the Nominating and Corporate Governance Committee of the Board of Directors.

5. Comply with this Code, the Company's Code of Business Conduct and Ethics and all other applicable policies and procedures of the Company. Senior financial officers who violate any part of this Code will be subject to disciplinary action.

40. In addition, defendants Cunningham, Delimitros, McInnes, Mitchell, White and Ammidon served on TETRA's Audit Committee during the Relevant Period. According to TETRA's Proxy Statements for 2004 through 2008, the Audit Committee's "primary purpose is to assist the Board of Directors in its oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications, and (iv) the performance of our internal audit function and independent auditors." Thus, the Audit Committee Defendants were required to actively oversee the preparation and release of TETRA's financial statements and were intimately familiar therewith.

41. Moreover, TETRA's current Audit Committee Charter, effective February 27, 2007, provides that the Audit Committee shall be responsible to, among other things:

(a) Review and discuss the quarterly financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards;

(b) Review and discuss the annual audited financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K). The Committee's review of the financial statements shall include: (i) major issues regarding

accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any specific remedial actions adopted in light of material control deficiencies; (ii) discussions with management and the independent auditors regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments; (iii) consideration of the effect of regulatory accounting initiatives, as well as off-balance sheet structures on the financial statements; (iv) consideration of the judgment of both management and the independent auditors about the quality, not just the acceptability, of accounting principles; and (v) the clarity of the disclosures in the financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under professional standards;

(c) Review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

(d) Review management's assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year and the independent auditors' report on management's assessment.

42. As alleged herein, the Audit Committee Defendants engaged in knowing breaches of fiduciary duty by permitting TETRA to release materially false financial statements and forecasts of 2007 earnings in order to permit themselves and other defendants to engage in insider selling and secure their corporate positions and perquisites.

43. As for the Compensation Committee Defendants, TETRA's current Management and Compensation Committee Charter, effective February 27, 2007, provides in pertinent part that:

The primary function of the Committee is to discharge the responsibilities of the Board relating to compensation of the Company's chief executive officer and other elected officers and advise the Board on the Company's compensation philosophy, programs and objectives. . . . The Committee's primary function includes the following responsibilities and duties:

* * *

9. Reviewing and discussing with management the Company's annual Compensation Disclosure and Analysis for inclusion in the Company's annual proxy statement or Form 10-K, in accordance with the rules and regulations of the Securities and Exchange Commission. Based upon such review and discussion of the Compensation Disclosure and Analysis, the Committee shall make a recommendation to the Board as to whether the Compensation Disclosure and Analysis should be included in the Company's annual proxy statement or Form 10-K in accordance with the rules and regulations of the Securities and Exchange Commission.

10. Producing the Committee's annual compensation committee report for inclusion in the Company's annual proxy statement or Form 10-K that complies with the rules and regulations of the Securities and Exchange Commission, the NYSE and any other applicable rules and regulations.

44. As members of the Board and executives of TETRA, and through their positions on various committees detailed herein, each of the Defendants had knowledge of and actively participated in and approved of the wrongdoings alleged or abdicated his or her responsibilities with respect to these wrongdoings. The alleged acts of wrongdoing subjected TETRA to unreasonable risks of loss.

45. By reason of their membership on the Board and as executive officers of the Company, each of the Defendants was a controlling person of TETRA and had the power and influence to cause, and did cause TETRA to engage in the conduct complained of herein.

AIDING AND ABETTING AND CONCERTED ACTION

46. In committing the wrongful acts alleged herein, Defendants pursued or joined in the pursuit of a common course of conduct, and acted in concert with one another in furtherance of their

common plan or design. In addition to the wrongful conduct herein alleged as giving rise to primary liability, Defendants aided and abetted and/or assisted each other in breach of their respective duties.

47. At relevant times, Defendants collectively and individually initiated a course of conduct which was designed to and did conceal the fact that Defendants were causing the Company to issue materially false and misleading financial results and earnings estimates in order to allow Defendants to: (i) artificially inflate the price of the Company's shares so that the Insider Selling Defendants could profit from illegal insider trading; (ii) maintain Defendants' executive and directorial positions at TETRA and the profits, power and prestige which Defendants enjoyed as a result of these positions; and (iii) deceive the investing public, including shareholders of TETRA, regarding Defendants' management of TETRA and TETRA's true financial health and stability and future business prospects, which had been misrepresented by Defendants throughout the Relevant Period. In furtherance of this course of conduct, Defendants collectively and individually took the actions set forth herein.

48. The purpose and effect of Defendants' common enterprise and/or common course of conduct was, among other things, to disguise Defendants' violations of law, breaches of fiduciary duty, waste of corporate assets and unjust enrichment; to conceal adverse information concerning the Company's operations, financial condition and future business prospects; and to artificially inflate the price of TETRA common stock so they could: (i) dispose of millions of dollars of their own stock; and (ii) protect and enhance their executive and directorial positions and the substantial compensation and prestige they obtained as a result thereof.

49. Defendants accomplished their common enterprise and/or common course of conduct by causing the Company to purposefully misrepresent its financial results and future earnings estimates. Because the actions described herein occurred under the authority of the Board of

Directors, each of the Defendants was a direct, necessary and substantial participant in the common enterprise and/or common course of conduct complained of herein.

50. Each of the Defendants aided and abetted and rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commission of the wrongdoing complained of herein, each of the Defendants acted with knowledge of the primary wrongdoing, substantially assisted the accomplishment of that wrongdoing and was aware of his or her overall contribution to and furtherance of the wrongdoing.

SUBSTANTIVE ALLEGATIONS

51. Defendant TETRA describes itself as an “oil and gas services company, including an integrated calcium chloride and brominated products manufacturing operation that supplies feedstocks to energy markets, as well as other markets.”

52. The Company operates in three divisions: Fluids, WA&D, and Production Enhancement.²

53. The Fluids division manufactures and markets clear brine fluids, additives, and other associated products and services to the oil and gas industry for use in well drilling, completion, and workover operations. The Fluids division also markets various fluids and dry calcium chloride for markets outside the energy industry.

54. The WA&D division provides services for the abandonment of depleted oil and gas wells, as well as the decommissioning of platforms, pipelines, and other associated equipment. The WA&D division also offers diving, marine, engineering, electric wireline, workover, and drilling

² The WA&D division is now known as the Offshore division. The WA&D division consists of two operating segments: the WA&D Services and Maritech segments.

services. In addition, the WA&D division produces oil and gas from wells and conducts development and exploitation operations on certain of its oil and gas properties.

55. The Production Enhancement division provides production testing services to the markets in Texas, New Mexico, Louisiana, and offshore Gulf of Mexico, as well as certain international markets. The Production Enhancement division is also involved in the design, fabrication, sale, lease, and service of wellhead compression equipment primarily used for production from mature, low pressure natural gas wells located principally in the mid-continent, mid-western, western, Rocky Mountain, and Gulf Coast regions of the United States, as well as in western Canada and Mexico. The Production Enhancement division also provides the technology and services for the separation and recycling of oily residuals generated from petroleum refining operations.

56. On January 3, 2007, TETRA issued a press release announcing its 2006 and 2007 earnings guidance. For 2007, the Company announced that earnings would be between \$1.80 and \$2.15 per diluted share and revenue would be between \$1,118 and \$1,240 million. Defendant Hertel, commenting on the earnings guidance, stated, in pertinent part, as follows:

“2006 earnings would have been even higher, if not for three factors: none of our three modified Dive Support Vessels were available for work in the fourth quarter (they are all scheduled to commence operations in January); we continued to work on a downed Maritech platform through December (deferring a portion of Well Abandonment & Decommissioning (WA&D) Services’ profits until insurance payment is made in 2007); and, we incurred substantial costs “waiting on weather” on turn-key platform decommissioning contracts (this work was essentially completed in December). We estimate these factors cost us as much as \$0.10 per diluted share in the fourth quarter of 2006.”

“As has been the case for many years, a significant portion of our estimated 2007 growth reflects investments made in prior years. This particularly reflects expansion in WA&D Services (new equipment, the EPIC Diving acquisition, new service offerings, additional engineering resources and more crews), Maritech (further exploitation activities), Compressco (geographic expansion domestically and new international business), and Testing (the Beacon acquisition and new international contracts). Similarly, we believe that certain expenditures in 2007 will

be a platform for continuing growth in 2008 and beyond. Significant 2007 expenditures that are expected to benefit the future are: Fluids – the Arkansas CBF plant, domestic onshore and international expansion; Compressco – an increase in its fleet under lease; Testing – equipment expansion for new and anticipated international contracts; and, Maritech’s further development of properties. Even with these growth initiatives, TETRA should generate substantial free cash in 2007, in the absence of any currently unplanned acquisitions. To be able to achieve record earnings and still build for the future is our continuing goal, which we strive to attain every year. Our 2007 guidance meets this goal.”

57. On February 28, 2007, the Company issued a press release announcing its financial results for the fourth quarter and year end of 2006, the period ended December 31, 2006. For the quarter, the Company reported earnings of \$1.37 per share, consolidated revenues of \$209.7 million and net income, including discontinued operations, of \$23.7 million. Pursuant to the Company’s Audit Committee Charter, as effective February 27, 2007, the Audit Committee (comprised of defendants Cunningham, Delimitros, McInnes, White and Ammidon) were responsible for reviewing the February 28, 2007 press release. Defendant Hertel, commenting on the results, stated, in pertinent part as follows:

“All of our divisions contributed to the record year in 2006. Much of this improvement was created through investments made in 2004 and 2005. This is in keeping with our philosophy of “building toward the future.” A portion of each year’s capital expenditures are for projects that will not mature until later years. This gives TETRA the ability to partially structure future growth.

“TETRA experiences significant seasonality in some of its business areas, particularly in Well Abandonment and Decommissioning Services (WA&D Services). This seasonality leaves us with much higher activity and profits in the second and third quarters of the year (versus the first and fourth quarters). This pattern was reflected in 2006 earnings and should again be the case in 2007, especially as WA&D Services continues to grow. As we indicated in our January 3, 2007 press release, fourth quarter 2006 earnings would have been higher, if not for three factors: (1) none of our three modified Dive Support Vessels were available for work in the fourth quarter; (2) we continued to work on a downed Maritech platform through December (deferring a portion of WA&D Services profits until insurance payment is made in 2007); and (3) we incurred substantial costs “waiting on weather” on certain turn-key platform decommissioning contracts (this work was essentially completed in December). Additionally, we continued to invest in scarce infrastructure (primarily people and vessels) that won’t go to work until late in the

first quarter of 2007. The combination of these factors moderated fourth quarter earnings growth.

“Looking forward, TETRA has forecast 2007 earnings guidance of \$1.80 – \$2.15 per share (an increase of 31% – 57% above 2006 levels). This growth is forecast in spite of a reduction in potential Maritech earnings of just under \$20 million due to lower anticipated commodity prices, and in spite of a similar order of magnitude drop in potential Fluids earnings due to higher near-term inventory costs during the transition to the new Chemtura agreements (*see* the January 3, 2007 press release for more details).

“As has been the case for many years, a significant portion of our estimated 2007 growth reflects investments made in prior years. This particularly reflects expansion in WA&D Services (new equipment, the EPIC Diving acquisition, new service offerings, additional engineering resources and more crews), Maritech (further exploitation activities), Compressco (geographic expansion domestically and new international business), and Testing (the Beacon acquisition and new international contracts). Similarly, we believe that certain expenditures in 2007 will create a platform for continuing growth in 2008 and beyond. Significant 2007 expenditures that are expected to benefit the future are: Fluids – the Arkansas CBF plant, and domestic onshore and international expansion; Compressco – an increase in its fleet under lease; Testing – equipment expansion for new and anticipated international contracts; and, Maritech’s further development of properties. Even after funding these growth initiatives, TETRA should generate substantial free cash in 2007, in the absence of any currently unplanned acquisitions. To be able to achieve record earnings and still build for the future is our continuing goal, which we strive to attain every year.

“A number of recent events bode well for 2007. In WA&D Services, we have secured additional sub-sea work for 2007. We continue to work toward signing additional contracts that would generate revenues as early as the second quarter of 2007. All three of the EPIC Dive Support Vessels (DSVs) that were being modified late in 2006 through early 2007 are now available for work. These DSVs have recently begun to generate revenues and should be more fully utilized in our second quarter, as a number of jobs are expected to commence. Also, our Coast Guard inspection and associated modifications of the Arapaho heavy-lift vessel were completed within the last week. The Arapaho should again be generating profits this week. It had been scheduled to be out of service through January and most of February.

“On February 22, 2007, Maritech hedged 20,000 MMBtu/D (approximately two-thirds of the remainder of 2007’s average production) of natural gas production at \$8.13/MMBtu. This hedge encompasses March through December of 2007. While the hedge price is significantly less than hedged prices in 2006, it is above the budgeted levels previously reported. We also have 3,000 B/D (a little less than half of our anticipated oil production) hedged for 2007 at an average price of \$68.41/barrel. We prefer to eliminate portions of the commodity risks associated

with our Maritech production whenever possible. In addition to generating anticipated cash flow in excess of capital expenditures for 2007, Maritech and its working interest partners are expected to generate approximately \$50 million of well abandonment and decommissioning work for WA&D Services in 2007.

“Maritech serves three distinct functions within TETRA: it generates positive cash flow (above its internal needs) for reinvestment into our oil service businesses; it helps baseload our WA&D Services business unit; and, it adds to our growing profits. Maritech has been able to improve both its cash flow and earnings, in part, by finding and efficiently extracting additional oil and gas from mature properties. Once again in 2006, Maritech was able to grow. At the beginning of 2006, Maritech had approximately 90 BCFE (billion cubic feet equivalent – oil barrels converted to natural gas MCFs at one barrel to six MCFs) of proven reserves. During 2006, Maritech produced almost 16 BCFE of these reserves. Without purchasing any meaningful amount of reserves in 2006, Maritech finished the year with approximately 93 BCFE of proven reserves. This ability to generate incremental reserves out of older, mature properties is the primary reason that we are projecting improving profits for Maritech in 2007, even while it experiences a \$20 million profit reduction caused by lower commodity prices. Maritech’s production was about 44 MMCFE/D in 2006. Currently, Maritech’s production is about 58 MMCFE/D. Our expectation is for 2007 average production to be between 66 – 73 MMCFE/D.

“As we progress through the year, we expect to see some sequential improvement in our Fluids profits, as higher cost inventories begin to be blended with lower cost product manufactured from raw materials obtained under our Chemtura agreements (however, 2007 annual earnings are projected to be lower than 2006 earnings, for this Division). Most of the Chemtura benefits should be reflected in earnings in 2008 and 2009. Also, our Production Enhancement Division profits should improve throughout 2007 as new international testing revenues (second quarter) and an increasing Compressco lease fleet, generate incremental revenues.

“While we do not give specific earnings guidance for individual quarters, due to the earnings volatility of our businesses, we need to emphasize the seasonal profit swings created by some of our business units (particularly WA&D Services). We expect roughly 16% of our 2007 earnings to occur in the first quarter, 29% in the second quarter, 29% in the third quarter and 26% in the fourth quarter. These numbers should only be used as directional estimates. The impressive potential increase over our estimated first quarter profits reflects: the seasonality of WA&D Services; recent hedges and increasing production from Maritech; the gradual decrease in brominated product costs in Fluids; new international business in Testing; and, a growing lease fleet in Compressco”

58. On May 7, 2007, TETRA issued a press release announcing its financial results for the first quarter of 2007, the period ended March 31, 2007. For the quarter, the Company reported earnings of \$0.28 per share, consolidated revenues of \$247.7 million and net income of \$20.7

million. Pursuant to the Company's Audit Committee Charter, as effective February 27, 2007, the Audit Committee (comprised of defendants Cunningham, Delimitros, McInnes, White and Ammidon) were responsible for reviewing the May 7, 2007 press release. Defendant Hertel, commenting on the announcement, stated, in pertinent part as follows:

“The first quarter results were impacted by four primary factors that we believe will continue to create differences between profit levels in 2007 and those reported in 2006. These factors will continue to affect Fluids, WA&D Services, Maritech, and Production Enhancement for much, if not all of 2007.”

“We project that our Fluids business could experience as much as a \$30 million reduction in pretax profits in 2007, due to the direct and indirect results from entering into certain previously announced supply arrangements, and the absence of inventory gains experienced in 2006. Counteracting this, could be a partially offsetting \$15 million pretax increase generated from expanding sales in our onshore and international Fluids operations. The first quarter 2007 Fluids earnings directly reflect the netting of these various items. We expect this trend to continue for the remainder of the year. These results are consistent with our 2007 guidance.

“First quarter WA&D Services pretax profits were up 712% over pretax profits generated in the first quarter of 2006. This reflected a ramp-up in activity, particularly in the Gulf of Mexico (GOM). These dramatically higher profits came in spite of significant costs associated with people, equipment, and third-party services that were incurred for much, if not all, of the quarter, and were only partially offset by revenues generated late in the quarter on various projects. As a result, pretax profits in WA&D Services in March were much improved versus January or February. This profitability is expected to improve again in both the second and third quarters.

“First quarter 2007 Maritech pretax profits were lower than those experienced in the first quarter of 2006. We had previously indicated that the difference in profits caused by the reduction in hedged natural gas prices would equate to approximately \$18 to \$20 million on an annualized basis (about \$2.50/MMBtu on 20,000 MMBtu/D). Also, as a result of premium increases during 2006, our insurance costs for the first quarter of 2007 were approximately \$5.0 million, versus about \$1.0 million in the first quarter of 2006. This direct \$4.0 million cost increase is reflected in our 2007 first quarter earnings. We had incorporated both the lower commodity prices and the increased insurance costs into our guidance. The major offset to the lower commodity prices in 2007 is expected to be increased production volumes. A discussion of the timing of production increases is incorporated into this press release.

“The Production Enhancement Division showed continued quarterly profit improvement, both year over year and sequentially. The major factors impacting

subsequent 2007 quarters are expected to be new international contracts and the continued growth of Compressco.

“On April 16, 2007, TETRA expanded its domestic onshore fluids business by acquiring a company that provides fluids delivery services in parts of Oklahoma, Arkansas, and Texas. The business was complementary to and expands on TETRA’s existing total fluids management service. The TETRA fluids management service includes fluids, filtration, engineering, specialty equipment, additives, and associated delivery systems and services. The purchase price was \$8.5 million, with another \$2.5 million contingently payable, depending on future results. The business generated approximately \$19.0 million in revenues in 2006. Net of the interest associated with the funds used to acquire the entity, it is anticipated that the acquisition will be accretive in 2007. However, it should be significantly more accretive to TETRA in 2008. This is another example of a bolt-on acquisition which expands upon an existing business area.

“Even though the WA&D Services business unit showed great improvement in the first quarter versus last year’s first quarter, it was a quarter of contrasts. In this seasonally weakest quarter, added costs can have a very negative effect on earnings. As WA&D Services geared up for higher activity in the second and third quarters, we incurred substantial costs that did not generate offsetting revenues. As we moved into the latter portions of the quarter, we began to put our spreads of equipment and EPIC’s DSVs (dive support vessels) to work. Consequently, over 55% of WA&D Services first quarter earnings were generated in March. Within the group, the Inland Waters business generated 59% of its earnings in March. The EPIC and Heavy Lift businesses each generated over 100% of their respective quarterly profits in March.

“The WA&D Services group recently signed a new contract to work on hurricane destroyed platforms. This work will start on or about May 15. At that time, we should have two spreads working on downed platforms, as we have finished work under one of our previous contracts. Similarly, we have two spreads working standing platforms. We are currently negotiating with potential customers and equipment suppliers, and hope to have additional downed and standing platform work for this summer. One of the prospective customers is Maritech. Also, our three large DSVs should be adding to our activity levels and associated revenues during the second and third quarters.

“Maritech’s first quarter earnings reflected higher insurance premiums, lower natural gas prices, and increased production. Production averaged between 57 to 58 MMCF/D in the first quarter of 2007, versus the storm reduced approximate 37 MMCF/D in the first quarter of 2006. Currently, production volumes are lower than those forecasted in Maritech’s 2007 guidance. The most significant shortfall is from two properties that were drilled in 2006 and early 2007. We had anticipated that completion activities would have been finished and the wells producing by now. However, completion rig availability and weather delays prevented timely completions. Much of this production is forecast to start late in the second quarter.

Recognizing the potential shortfall to production, Maritech is now attempting to accelerate forward exploitation activities originally planned for late 2007 or early 2008. If Maritech is successful in this endeavor, it may offset any near-term production shortfall with increased production from this escalated activity in the fourth quarter.

“Maritech has continued to hedge production volumes to mitigate the commodity risk of its business strategy. During the first 100 days of 2007, Maritech significantly increased its hedged position. Currently, the Company has the following hedges in place:

2007 (remainder of the year)

- 1) 3,000 B/D of oil at an average price of \$68.41/barrel
- 2) 20,000 MMBtus/D of gas at an average price of \$8.13/MMBtu

2008 (full year)

- 3) 2,500 B/D of oil at an average price of \$63.95/barrel
- 4) 7,500 MMBtus/D of gas at an average price of \$8.462/MMBtu

2009 (full year)

- 5) 2,000 B/D of oil at an average price of \$68.21/barrel

“TETRA gave earnings guidance on January 3, 2007. By the end of the second quarter, we should have further clarity regarding the margins in the WA&D Services business and the magnitude of its increased summer activity. Also, we should have a better picture of the magnitude and timing of the increased volumes for Maritech. We therefore plan to modify, up or down, our previous earnings guidance when we report second quarter profits.

“We continue to build for the future, while simultaneously attempting to set annual records at TETRA. In particular, our current investments in Fluids, Maritech, Testing, and Compressco should yield positive results for a number of years. Reinforce these positives with the current strength in WA&D Services (stimulated by previous investments), and you see why we are optimistic regarding TETRA’s future”

59. On June 28, 2007, the Company issued a press release announcing that it “intends to form a Master Limited Partnership (MLP) into which it will place the majority of its Compressco, Inc. (Compressco) subsidiary assets, and expects to file a registration statement with the Securities and Exchange Commission for the initial public offering (IPO) of common units representing limited partner interests.” In that regard, defendant Hertel stated, in pertinent part, as follows:

“Creating an MLP out of Compressco is a continuation of our ongoing strategy to unlock and create value for our stockholders, from our assets.”

60. The statements referenced above in ¶¶56-59 were materially false and misleading when made because they misrepresented and failed to disclose the following adverse facts which were known to Defendants or recklessly disregarded by them:

(a) that the Company’s WA&D division was not performing according to internal expectations;

(b) that the Company failed to timely take a charge for insurance receivables which remain uncollected; and

(c) as a result of the foregoing, the Company’s earnings were artificially inflated.

Moreover, Defendants lacked a reasonable basis for their positive statements about the Company and its prospects.

61. On August 3, 2007, TETRA issued a press release announcing its financial results for the second quarter, the period ending June 30, 2007. For the quarter, the Company reported earnings of \$0.30 per share, consolidated revenues of \$258.1 million and net income of \$22.9 million. Moreover, the Company revised its 2007 earnings guidance to a range of \$1.30-\$1.50 per share. Pursuant to the Company’s Audit Committee Charter, as effective February 27, 2007, the Audit Committee (comprised of defendants Cunningham, Delimitros, McInnes, White and Ammidon) were responsible for reviewing the August 3, 2007 press release. Defendant Hertel, commenting on the results and the Company’s reduced earnings guidance, stated, in pertinent part as follows:

“Our second quarter earnings were significantly below what we had hoped for and were materially affected by events during June. There are a number of reasons for this weaker than expected performance. *Fortunately, many of these reasons are transitory.*

“There can be significant volatility to our 2007 quarterly earnings. The primary reasons were spelled out in earlier press releases. During the year, we have to overcome about \$50 million in pretax profit reductions (about \$0.42 per share,

after tax) that were not present in 2006. This is a combination of the roughly \$30 million impact on our fluids business from 2007's higher cost inventories, and about \$20 million from lower natural gas prices for Maritech. Because of this "earnings hole," the earnings from testing, WA&D Services and onshore fluids become even more important in attaining 2007 profits. A reduction in any of these other businesses therefore can cause significant volatility to quarterly corporate earnings. ***During the quarter, and particularly in June, all three of these business areas experienced situations that negatively impacted their profitability.***

"During the quarter, our Fluids Division continued to be impacted by the higher inventory costs created by our decision to fully integrate our bromine operation. The series of events we precipitated in 2005 and 2006 left us with high cost inventories (versus today's costs for the same inventory) and an obligation to buy additional high cost inventories to terminate an existing purchase contract. Once our obligations with respect to these high cost inventories have been satisfied and the high cost inventories have flushed through the system, we will begin to be benefited by our Chemtura agreements. Given the amount of product that we now hope to sell during the first three quarters of 2007, we believe a portion of the positive impact of the Chemtura agreements may begin to be seen as early as the fourth quarter of 2007. This means that we expect to generate a significant positive impact from these agreements in 2008.

"During 2007, we expected that a partial offset to the high cost Fluids inventories would come from our growing domestic onshore fluids service business. Unfortunately, in the second quarter, much of this business was located in Texas and southern Oklahoma. The exceptional rainfall in these areas during parts of May, June, and portions of July caused some of this activity to come to a standstill. We did not experience the activity and associated earnings in the second half of the quarter that had previously helped to offset the high cost inventory situation.

"As we documented in previous press releases, we did not expect our Maritech production to attain the originally budgeted volumes during the second quarter. This was due to the delay in production from two offshore platforms. Both of these platforms are anticipated to essentially be on-stream for much of August. During the second quarter, net production averaged approximately 5,200 B/D of oil and 26 MMCF/D of natural gas. This totaled about 57.2 MMCFE/D (at 6 MCF per barrel conversion). This was slightly less than the first quarter of 2007 (about 58 MMCFE/D) and appreciably less than original budgeted volumes. This shortfall was primarily caused by the delay referred to above. It is expected that mid-August net daily volumes should approach 6,600 B/D and 33.0 MMCF/D or an average of 72.6 MMCFE/D, as these two platforms begin sustained production.

"To help offset this volume shortfall, Maritech has undertaken an escalated development program for the second half of 2007. While we expect that this program will help offset some of the production deferral, it is unlikely that it will make up the entire shortfall. However, pricing of unhedged production volumes has, to-date in 2007, been above plan. Therefore, when including all of these variables

(but excluding unique items), total profits from Maritech in 2007 may approach budgeted levels. Maritech had a unique item during the second quarter: the write-off of disputed insurance proceeds from work performed on assets damaged in the 2005 hurricanes. We remain committed to the recovery of all these amounts. Should Maritech ultimately receive insurance payments for these damages, the funds will flow to income in the period they are received.

“During the second quarter of 2007, we attempted to dramatically ramp-up activity in our WA&D Services business. We learned a lot in the process, but generated substantially less profits than anticipated. Our downed structure work was very efficient during the quarter. Unfortunately, because we finished certain aspects of these jobs in a shorter time, we had idle capacity for portions of the quarter. On heavy-lift projects above water, we worked off the majority of our remaining fixed price contracts at nominal profits, due to abnormally poor weather conditions. We were also unable to begin major offshore plugging work for three clients, until the third quarter. In addition, one of our three DSVs experienced start-up problems and worked only periodically (it is expected to be fully operational in about three weeks). What does all of this tell us? It says that we need to include some of these factors in our ongoing estimates, until we become more efficient. Instead of trying to dissect each WA&D Services contract separately, I believe a better approach will be to estimate gross segment profitability on a quarterly basis. Only when we materially add or subtract equipment or enter into significant new contracts should we modify this consolidated profit estimate. At today’s level of activity, WA&D Services is expected to generate pretax profits of \$10 – \$13 million in its first and fourth quarters and \$15 – \$21 million in the second and third quarters, on a go-forward basis.

“While our Production Enhancement Division showed increased profits, our testing business was affected by wet weather, particularly in Texas. Our testing service prices have increased this year, but the effects of weather-related lower utilization and increasing costs reduced gross margins during the quarter. Fortunately, the market remains robust for these services. TETRA expects to continue its domestic geographic expansion throughout this year. A major impetus for our testing business in 2007 is our international expansion. We began work in the Middle East in late July and should begin operations under a new contract in a Latin American country within a week. Our previously existing international testing business continues to grow. These areas, as well as other international work later in the year, should materially augment testing profitability throughout the remainder of 2007 and into 2008.

“Compressco’s operations remained strong during the second quarter. Profits continued to grow, both year-to-year and sequentially.

“Clearly the second half of 2007’s profits should exceed the first half, due, in part, to: lower Fluids product costs; fewer weather disruptions; increasing Maritech volumes; increasing international testing revenues; and, a more efficiently run WA&D Services operation. Given our first half results and the

improving second half of 2007, we believe earnings of \$1.30 – \$1.50 per share are realistic for all of 2007. This is certainly not the earnings that we had hoped for, but even these earnings show our ability to grow. If we had suffered the same Fluids inventory costs and lower natural gas prices in 2006, as we have experienced them in 2007, we believe that our projected earnings for 2007 would compare very favorably with the earnings that would have been realized under those circumstances in 2006. With no similar “holes” anticipated for 2008, we look forward to significant earnings growth next year”

62. In response to this announcement, the price of TETRA common stock fell \$6.64 per share, or approximately 25%, to close at \$19.77 per share, on extremely heavy trading volume.

63. Then, on October 16, 2007, TETRA issued a press release announcing that it is withdrawing its previously estimated 2007 earnings guidance of \$1.30-\$1.50 per share. Pursuant to the Company’s Audit Committee Charter, as effective February 27, 2007, the Audit Committee (comprised of defendants Cunningham, Delimitros, McInnes, White and Ammidon) were responsible for reviewing the October 16, 2007 press release. In connection with the release, defendant Hertel stated, in pertinent part, as follows:

“During portions of 2006 and during the first three quarters of 2007, TETRA has been impacted by a number of issues. Some of these issues manifested themselves in the last six to nine months and are of a current operational nature. As previously disclosed, these issues impacted earnings negatively during the first two quarters and are expected to do so in the third quarter. We have been addressing these types of issues and believe that many of them were resolved by the end of the third quarter. However, we also have a number of issues related to prior events. An example of this is where historical costs are currently represented as insurance receivables. Almost all of these types of issues have involved charges that impacted reported earnings, but which did not effect cash flow, in the then current period. As we have previously disclosed, some of these issues have already negatively impacted earnings in 2007, and will also impact the third quarter. ***Such items included additional repairs made to Maritech properties for the 2005 storm damages that are unresolved with TETRA’s insurance providers.*** The Company is continuing to work diligently with its underwriters to provide additional information and to resolve all outstanding issues in order to secure payment under the policies. ***During the third quarter the Company will also record impairments of certain Maritech oil and gas properties in accordance with the successful efforts accounting method.***

“Separately, we have signed a non-binding Letter of Intent to sell certain assets in one of our non-core business units (not associated with the prospective Compressco MLP). We do not intend to sell these assets unless the terms of the sale

reflected in the definitive agreement will generate a substantial gain and cash proceeds. If the sale anticipated in the Letter of Intent occurs, it should be prior to year end.

“The myriad of potential combinations from these various factors makes an earnings estimate for 2007 difficult to predict, at this time. Therefore, we are withdrawing our previously announced \$1.30 – \$1.50 earnings guidance range for 2007.

“Two general factors make up the largest portion of possible negative adjustments to income. ***By far the largest item is insurance coverage, and by far the largest factor here involves storm damage from hurricanes Rita and Katrina.*** As outlined in great detail in our financial reports, TETRA experienced material damage from the two storms. Since 2005, we have been repaid in excess of \$90 million for storm related costs and charges. At June 30, 2007 we had \$35.7 million for all insurance accounts receivable, and management estimates that as of September 30, 2007, we had \$27.8 million for all insurance accounts receivable. We are currently attempting to set up meetings with our insurers later this year, regarding unresolved issues, with the hope of resolving all remaining issues and collecting the full amount of the insurance receivables. If this meeting creates irreconcilable differences regarding claims, TETRA may be required to charge these amounts against income in the then current period. This would in no way diminish our attempts to collect the full amount owed to TETRA by the insurers. We remain confident that we will ultimately prevail on these issues. Should payment occur after we have written off any costs, the proceeds may be reflected as income, in the period collected.

“A second charge periodically affects our Maritech subsidiary. Unlike many independent oil and gas producers, Maritech uses the more conservative successful efforts accounting. Generally, each of our producing properties is its own “cost center.” Many companies of our size with E&P operations employ full cost accounting as opposed to successful efforts. This allows those companies to aggregate all of their properties together to determine if they have an impairment. Under this method, successes and failures are lumped together and if the successes are greater than the failures, no impairment is recorded. Under Maritech’s property-by-property accounting, we are exposed to the risk that the value of a particular property (field) would have to be written-down or written-off if an impairment were present, with no offset from successes in other fields. This approach could yield more impairments, and the associated reductions in reported earnings. Under this accounting method, Maritech (TETRA) should periodically have write-offs or write-downs. The law of averages makes these periodic charges very likely, even if Maritech is generally successful and has increased its aggregate gross reserve values. ***During the third quarter, Maritech will incur impairment charges for certain of its oil and gas properties.***

“Prior to year end, TETRA could experience earnings impacts from any of the following items: insurance related issues; changes in asset retirement

obligations; asset sales; and, successful efforts impairments. Most, if not all, of the potential charges discussed in this press release would be charges against current period operations. On the other hand, the anticipated sale of assets should generate not only a gain, but substantial cash proceeds in the current period.

64. In response to this announcement, the price of TETRA common stock fell an additional \$1.76 per share, or approximately 8%, to close at \$19.86 per share, on heavy trading volume.

65. As alleged herein, Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding TETRA, their control over, and/or receipt and/or modification of TETRA's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning TETRA, participated in the fraudulent scheme and improper course of conduct alleged herein.

66. Defendants were further motivated to engage in this course of conduct in order to allow the Insider Selling Defendants to sell 1,035,905 shares of their personally held TETRA common stock for gross proceeds in excess of \$27.8 million. The following chart sets forth the insider trading:

Insider	Date	Shares	Price	Proceeds
CHAMBERS	5/16/2007	13,266	\$27.04	\$358,713
	5/16/2007	8,504	\$26.59	\$226,121
	5/16/2007	5,000	\$26.57	\$132,850
	5/16/2007	3,500	\$27.10	\$94,850
	5/16/2007	3,500	\$27.07	\$94,745
		33,770		\$907,279
COBB	5/15/2007	19,300	\$27.60	\$532,680

Insider	Date	Shares	Price	Proceeds
	5/15/2007	6,300	\$27.65	\$174,195
	5/15/2007	4,300	\$27.64	\$118,852
	5/15/2007	3,600	\$27.67	\$99,612
	5/15/2007	3,400	\$27.66	\$94,044
	5/15/2007	2,500	\$27.68	\$69,200
	5/15/2007	2,400	\$27.62	\$66,288
	5/15/2007	1,800	\$27.61	\$49,698
	5/15/2007	1,400	\$27.63	\$38,682
		45,000		\$1,243,251
COOMBS	5/22/2007	8,000	\$28.26	\$226,080
	5/29/2007	25,000	\$27.20	\$680,000
	5/29/2007	8,300	\$27.21	\$225,843
	5/29/2007	3,500	\$27.23	\$95,305
	5/29/2007	3,300	\$27.22	\$89,826
	5/29/2007	1,500	\$27.24	\$40,860
	5/29/2007	1,400	\$27.26	\$38,164
	5/29/2007	1,400	\$27.30	\$38,220
	5/29/2007	1,300	\$27.27	\$35,451
	5/29/2007	800	\$27.25	\$21,800
	5/29/2007	800	\$27.31	\$21,848
	5/29/2007	600	\$27.29	\$16,374
	5/29/2007	600	\$27.34	\$16,404
	5/29/2007	400	\$27.28	\$10,912
	5/29/2007	400	\$27.32	\$10,928
	5/29/2007	400	\$27.35	\$10,940
	5/29/2007	300	\$27.33	\$8,199
	5/30/2007	13,500	\$27.80	\$375,300
	5/30/2007	6,900	\$27.81	\$191,889
	5/30/2007	5,800	\$27.83	\$161,414
	5/30/2007	5,100	\$27.86	\$142,086
	5/30/2007	2,500	\$27.84	\$69,600
	5/30/2007	2,500	\$27.85	\$69,625
	5/30/2007	2,000	\$27.87	\$55,740
	5/30/2007	1,400	\$27.82	\$38,948
	5/30/2007	300	\$27.88	\$8,364
	5/31/2007	8,075	\$27.81	\$224,566
	5/31/2007	7,800	\$27.80	\$216,840
	5/31/2007	7,400	\$27.88	\$206,312
	5/31/2007	5,500	\$27.83	\$153,065
	5/31/2007	5,300	\$27.84	\$147,552
	5/31/2007	5,100	\$28.01	\$142,851
	5/31/2007	4,800	\$27.82	\$133,536

Insider	Date	Shares	Price	Proceeds
	5/31/2007	4,500	\$28.00	\$126,000
	5/31/2007	4,300	\$28.03	\$120,529
	5/31/2007	3,800	\$28.12	\$106,856
	5/31/2007	3,300	\$27.85	\$91,905
	5/31/2007	2,900	\$28.13	\$81,577
	5/31/2007	2,800	\$27.95	\$78,260
	5/31/2007	2,400	\$27.86	\$66,864
	5/31/2007	2,300	\$28.10	\$64,630
	5/31/2007	2,000	\$27.96	\$55,920
	5/31/2007	2,000	\$28.04	\$56,080
	5/31/2007	2,000	\$28.14	\$56,280
	5/31/2007	1,300	\$27.89	\$36,257
	5/31/2007	1,200	\$28.02	\$33,624
	5/31/2007	800	\$27.90	\$22,320
	5/31/2007	700	\$28.09	\$19,663
	5/31/2007	500	\$28.11	\$14,055
	5/31/2007	400	\$28.06	\$11,224
	5/31/2007	300	\$27.87	\$8,361
	5/31/2007	300	\$28.05	\$8,415
	5/31/2007	300	\$28.07	\$8,421
	5/31/2007	300	\$28.15	\$8,445
	5/31/2007	225	\$27.92	\$6,282
	5/31/2007	200	\$27.91	\$5,582
	5/31/2007	200	\$28.16	\$5,632
	5/31/2007	100	\$27.93	\$2,793
	5/31/2007	100	\$27.94	\$2,794
	5/31/2007	100	\$28.19	\$2,819
	5/31/2007	100	\$28.21	\$2,821
	6/1/2007	11,634	\$28.00	\$325,752
	6/1/2007	11,100	\$27.84	\$309,024
	6/1/2007	9,100	\$27.80	\$252,980
	6/1/2007	3,134	\$28.02	\$87,815
	6/1/2007	2,900	\$28.01	\$81,229
	6/1/2007	2,500	\$27.86	\$69,650
	6/1/2007	1,100	\$28.03	\$30,833
	6/1/2007	732	\$27.88	\$20,408
	6/1/2007	704	\$27.81	\$19,578
	6/1/2007	500	\$28.04	\$14,020
	6/1/2007	100	\$27.85	\$2,785
	6/1/2007	100	\$27.87	\$2,787
		225,004		\$6,246,112
CUNNINGHAM	4/4/2007	3,200	\$24.99	\$79,968

Insider	Date	Shares	Price	Proceeds
	4/4/2007	2,000	\$24.96	\$49,920
	4/4/2007	1,900	\$24.98	\$47,462
	4/4/2007	900	\$24.97	\$22,473
		8,000		\$199,823
DELIMITROS	1/8/2007	11,300	\$22.65	\$255,945
	1/8/2007	3,600	\$22.71	\$81,756
	1/8/2007	900	\$22.70	\$20,430
	1/8/2007	800	\$22.72	\$18,176
	1/8/2007	700	\$22.66	\$15,862
	1/8/2007	500	\$22.69	\$11,345
	1/8/2007	200	\$22.68	\$4,536
		18,000		\$408,050
HANNA	6/5/2007	5,300	\$28.46	\$150,838
	6/5/2007	4,111	\$28.60	\$117,575
	6/5/2007	2,700	\$28.27	\$76,329
	6/5/2007	2,500	\$28.26	\$70,650
	6/5/2007	1,306	\$28.40	\$37,090
	6/5/2007	1,300	\$28.43	\$36,959
	6/5/2007	1,300	\$28.45	\$36,985
	6/5/2007	1,100	\$28.42	\$31,262
	6/5/2007	1,000	\$28.41	\$28,410
	6/5/2007	800	\$28.29	\$22,632
	6/5/2007	500	\$28.44	\$14,220
	6/5/2007	436	\$28.31	\$12,343
	6/5/2007	400	\$28.28	\$11,312
	6/5/2007	400	\$28.30	\$11,320
	6/5/2007	300	\$28.25	\$8,475
		23,453		\$666,400
HERTEL	5/9/2007	55,469	\$26.40	\$1,464,382
	5/9/2007	22,684	\$26.38	\$598,404
	5/9/2007	19,400	\$26.42	\$512,548
	5/9/2007	18,703	\$26.45	\$494,694
	5/9/2007	17,206	\$26.37	\$453,722
	5/9/2007	16,900	\$26.41	\$446,329
	5/9/2007	13,869	\$26.35	\$365,448
	5/9/2007	9,700	\$26.44	\$256,468
	5/9/2007	8,864	\$26.39	\$233,921
	5/9/2007	5,477	\$26.36	\$144,374
	5/9/2007	4,700	\$26.49	\$124,503
	5/9/2007	4,400	\$26.46	\$116,424

Insider	Date	Shares	Price	Proceeds
	5/9/2007	4,323	\$26.47	\$114,430
	5/9/2007	4,305	\$26.43	\$113,781
	5/9/2007	4,300	\$26.55	\$114,165
	5/9/2007	4,296	\$26.51	\$113,887
	5/9/2007	3,600	\$26.50	\$95,400
	5/9/2007	2,100	\$26.48	\$55,608
	5/9/2007	1,000	\$26.52	\$26,520
	5/9/2007	1,000	\$26.53	\$26,530
	5/9/2007	204	\$26.54	\$5,414
	5/10/2007	18,400	\$26.40	\$485,760
	5/10/2007	12,400	\$26.35	\$326,740
	5/10/2007	11,700	\$26.32	\$307,944
	5/10/2007	7,000	\$26.42	\$184,940
	5/10/2007	6,800	\$26.34	\$179,112
	5/10/2007	5,500	\$26.33	\$144,815
	5/10/2007	5,100	\$26.41	\$134,691
	5/10/2007	2,385	\$26.37	\$62,892
	5/10/2007	2,200	\$26.36	\$57,992
	5/10/2007	1,306	\$26.38	\$34,452
	5/10/2007	1,200	\$26.43	\$31,716
	5/10/2007	1,200	\$26.45	\$31,740
	5/10/2007	309	\$26.39	\$8,155
	5/11/2007	19,210	\$26.48	\$508,681
	5/11/2007	12,900	\$26.45	\$341,205
	5/11/2007	12,000	\$26.30	\$315,600
	5/11/2007	10,500	\$26.43	\$277,515
	5/11/2007	10,300	\$26.46	\$272,538
	5/11/2007	10,100	\$26.54	\$268,054
	5/11/2007	9,800	\$26.65	\$261,170
	5/11/2007	9,703	\$26.53	\$257,421
	5/11/2007	9,600	\$26.40	\$253,440
	5/11/2007	8,700	\$26.47	\$230,289
	5/11/2007	7,900	\$26.68	\$210,772
	5/11/2007	5,797	\$26.52	\$153,736
	5/11/2007	5,395	\$26.41	\$142,482
	5/11/2007	4,700	\$26.66	\$125,302
	5/11/2007	4,500	\$26.70	\$120,150
	5/11/2007	4,000	\$26.67	\$106,680
	5/11/2007	3,900	\$26.49	\$103,311
	5/11/2007	3,700	\$26.51	\$98,087
	5/11/2007	3,500	\$26.81	\$93,835
	5/11/2007	3,200	\$26.90	\$86,080
	5/11/2007	2,990	\$26.50	\$79,235

Insider	Date	Shares	Price	Proceeds
	5/11/2007	2,600	\$26.85	\$69,810
	5/11/2007	2,500	\$26.39	\$65,975
	5/11/2007	2,500	\$26.86	\$67,150
	5/11/2007	2,300	\$26.44	\$60,812
	5/11/2007	2,000	\$26.84	\$53,680
	5/11/2007	1,500	\$26.55	\$39,825
	5/11/2007	1,500	\$26.80	\$40,200
	5/11/2007	1,400	\$26.69	\$37,366
	5/11/2007	1,200	\$26.83	\$32,196
	5/11/2007	800	\$26.73	\$21,384
	5/11/2007	700	\$26.56	\$18,592
	5/11/2007	205	\$26.42	\$5,416
	5/11/2007	200	\$26.71	\$5,342
	5/11/2007	100	\$26.72	\$2,672
	5/11/2007	100	\$26.82	\$2,682
		480,000		\$12,696,586
MATHEWS	6/1/2007	12,166	\$28.00	\$340,648
	6/1/2007	1,166	\$28.02	\$32,671
	6/1/2007	1,000	\$28.01	\$28,010
	6/1/2007	800	\$28.03	\$22,424
	6/4/2007	9,000	\$28.22	\$253,980
	6/4/2007	7,456	\$28.21	\$210,334
	6/4/2007	7,400	\$28.00	\$207,200
	6/4/2007	6,000	\$28.04	\$168,240
	6/4/2007	5,850	\$28.23	\$165,146
	6/4/2007	3,800	\$28.05	\$106,590
	6/4/2007	3,700	\$28.01	\$103,637
	6/4/2007	2,100	\$28.02	\$58,842
	6/4/2007	1,900	\$28.03	\$53,257
	6/4/2007	1,900	\$28.19	\$53,561
	6/4/2007	1,900	\$28.20	\$53,580
	6/4/2007	1,600	\$28.18	\$45,088
	6/4/2007	1,400	\$28.16	\$39,424
	6/4/2007	1,300	\$28.24	\$36,712
	6/4/2007	1,062	\$28.15	\$29,895
	6/4/2007	1,000	\$28.14	\$28,140
	6/4/2007	600	\$28.17	\$16,902
	6/4/2007	400	\$28.06	\$11,224
	6/4/2007	400	\$28.09	\$11,236
	6/4/2007	400	\$28.25	\$11,300
	6/4/2007	300	\$28.10	\$8,430
	6/4/2007	200	\$28.12	\$5,624

Insider	Date	Shares	Price	Proceeds
	6/4/2007	100	\$28.08	\$2,808
	6/4/2007	100	\$28.13	\$2,813
		75,000		\$2,107,716
McCARROLL	5/30/2007	6,900	\$27.09	\$186,921
	5/30/2007	500	\$27.10	\$13,550
	5/30/2007	100	\$27.11	\$2,711
	9/19/2007	6,900	\$21.51	\$148,419
	9/19/2007	1,700	\$21.54	\$36,618
	9/19/2007	900	\$21.52	\$19,368
	9/19/2007	500	\$21.53	\$10,765
		17,500		\$418,352
McINNES	5/16/2007	33,200	\$27.00	\$896,400
	5/16/2007	2,200	\$27.02	\$59,444
	5/16/2007	600	\$27.01	\$16,206
		36,000		\$972,050
MITCHELL	1/19/2007	7,519	\$23.32	\$175,343
	1/19/2007	6,800	\$23.36	\$158,848
	1/19/2007	5,400	\$23.37	\$126,198
	1/19/2007	2,941	\$23.31	\$68,555
	1/19/2007	2,100	\$23.33	\$48,993
	1/19/2007	1,500	\$23.34	\$35,010
	1/19/2007	1,100	\$23.38	\$25,718
	1/19/2007	700	\$23.39	\$16,373
	1/19/2007	700	\$23.41	\$16,387
	1/19/2007	640	\$23.30	\$14,912
	1/19/2007	300	\$23.40	\$7,020
	1/19/2007	200	\$23.35	\$4,670
	1/19/2007	100	\$23.42	\$2,342
		30,000		\$700,369
PRICE	6/5/2007	28,880	\$28.50	\$823,080
		28,880		\$823,080
WALLACE	5/15/2007	6,198	\$27.45	\$170,135
	5/15/2007	2,900	\$27.47	\$79,663
	5/15/2007	2,600	\$27.44	\$71,344
	5/15/2007	1,200	\$27.43	\$32,916
	5/15/2007	1,100	\$27.50	\$30,250
	5/15/2007	900	\$27.48	\$24,732
	5/15/2007	300	\$27.46	\$8,238

Insider	Date	Shares	Price	Proceeds
	5/15/2007	100	\$27.49	\$2,749
		15,298		\$420,027
	Total:	1,035,905		\$27,809,095

67. At the time of each of the stock sales set forth in the preceding paragraph, each of the Defendants knew, but did not disclose to the market, that the Company would be unable to meet its earnings guidance for 2007 because: (i) the Company's WA&D division was performing below internal expectations; and (ii) the Company had not taken timely charges for uncollectable insurance receivables.

68. The foregoing material information was well known to each of the Defendants, and such material information was discussed formally and informally during TETRA Board meetings, management meetings, and other meetings attended by the Defendants. In addition, throughout 2007, each of the Defendants received numerous reports regarding the Company's quarterly and yearly revenue and earnings figures. Through their attendance at Board, Audit Committee and management meetings, the review of the Company's financial statements, and conversations with the Company's management, internal auditors, and external auditors, each of the Defendants knew that the Company's public statements concerning its ability to meet its earnings guidance were materially false and misleading. As detailed herein, it was the particular responsibility of the Audit Committee (consisting of defendants Cunningham, Delimitros, McInnes, White and Ammidon during 2007), to review and discuss "earnings press releases, as well as financial information and earnings guidance provided to analysts."

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

69. Plaintiff brings this action derivatively in the right and for the benefit of TETRA to redress injuries suffered and to be suffered by TETRA as a direct result of Defendants' breaches of

fiduciary duty, abuse of control, gross mismanagement, unjust enrichment, constructive fraud, corporate waste, insider selling and misappropriation, as well as each defendant's aiding and abetting of the breaches of fiduciary duty and violations of law committed by the other Defendants.

70. Plaintiff will adequately and fairly represent the interests of TETRA and its shareholders in enforcing and prosecuting its rights.

71. Plaintiff is an owner of TETRA stock and was an owner of TETRA stock at the times relevant to the Defendants' illegal and wrongful course of conduct alleged herein.

72. As a result of the facts set forth throughout this Petition, and additionally pursuant to Delaware and Texas law, demand on the TETRA Board of Directors to institute this action against the officers of TETRA and the members of the TETRA Board of Directors is not necessary because such a demand would be a futile and useless act. The Board currently consists of nine directors, defendants Brightman, Coombs, Cunningham, Delimitros, Hertel, McInnes, Mitchell, Sullivan and White (the "Board Defendants"). As a result of the facts set forth herein, each and every one of the Board Defendants are incapable of making an independent and disinterested decision to institute and vigorously prosecute this action for the following reasons:

(a) Defendants Coombs, Cunningham, Delimitros, Hertel, McInnes and Mitchell face a substantial likelihood of being held liable for breaching their fiduciary duties of loyalty and good faith for engaging in illegal insider trading of TETRA securities, and therefore are incapable of disinterestedly and independently considering a demand to commence and vigorously prosecute this action.

(b) As CEO of TETRA since May 2009, defendant Brightman's principal professional occupation is his employment as CEO of the Company. As CEO, Brightman stands to earn millions of dollars in annual salary, bonuses, and other compensation, all of which must be

approved by defendants Delimitros, Mitchell, White and Sullivan, who are current members of the Management and Compensation Committee. Accordingly, Brightman is incapable of independently and disinterestedly considering a demand.

(c) Defendant Hertel, because he spoke directly to the investing public and TETRA shareholders concerning the Company's January 3, 2007 to June 28, 2007 press releases, repeating the materially false statements therein, is incapable of independently and disinterestedly considering a demand to commence and vigorously prosecute this action against the Defendants.

(d) Defendants Coombs, Cunningham, Delimitros, Hertel, McInnes, Mitchell and White, as directors of the Company, directly participated in and approved the dissemination of false and misleading information as alleged herein, and therefore are substantially likely to be held liable for the misconduct complained of herein. In particular, directors Cunningham, Delimitros, McInnes, and White directly participated in reviewing and discussing TETRA's press releases of anticipated earnings, as required by the Audit Committee Charter. Moreover, by colluding with the Insider Selling Defendants and others, as alleged herein, Coombs, Cunningham, Delimitros, Hertel, McInnes, Mitchell and White have demonstrated that they are unable or unwilling to act independently of the Insider Selling Defendants.

73. Defendants Brightman, Coombs, Cunningham, Delimitros, Hertel, McInnes, Mitchell, Sullivan and White, in order to bring this suit, would be forced to sue themselves and persons with whom they have extensive business and personal entanglements, which they will not do, thereby also excusing demand.

74. The acts complained of constitute violations of applicable law and the fiduciary duties owed by TETRA's officers and directors and these acts are incapable of ratification by defendants Brightman, Coombs, Cunningham, Delimitros, Hertel, McInnes, Mitchell, Sullivan and White.

75. In sum, the TETRA Board of Directors has caused the Company to operate in blatant disregard of federal and state securities laws. The TETRA Board's willingness to take advantage of adverse corporate developments for personal gain, coupled with its refusal to take any significant action against those responsible for causing TETRA to falsify its financial statements, has severely injured TETRA and its shareholders and exposed TETRA to civil liability for violations of the securities laws.

76. Plaintiff has not made any demand on shareholders of TETRA to institute this action since such demand would be a futile and useless act for the following reasons:

(a) TETRA is a publicly traded company with approximately 75 million shares outstanding and thousands of shareholders;

(b) Making demand on such a number of shareholders would be impossible for plaintiff who has no way of finding out the names, addresses or phone numbers of shareholders; and

(c) Making a demand on all shareholders would force plaintiff to incur huge expenses, assuming all shareholders could be individually identified.

FIRST CAUSE OF ACTION

Accounting Against All Insider Selling Defendants

77. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

78. At all relevant times, the Insider Selling Defendants, as directors and/or officers of TETRA, owed the Company and its shareholders fiduciary duties of good faith, fidelity, due care, candor, loyalty and independence.

79. In breach of their fiduciary duties owed to TETRA and its shareholders, the Insider Selling Defendants caused TETRA to issue materially false and misleading statements concerning its

financial condition and future growth estimates, while engaging in insider selling of TETRA stock based on material, non-public information.

80. Each of the Insider Selling Defendants possess complete and unfettered control over the details of their improper trading.

81. As a result of the Insider Selling Defendants' misconduct, TETRA has been substantially injured and damaged financially and is entitled to a recovery as a result thereof, including the proceeds of the Insider Selling Defendants' illegal insider trading.

82. Plaintiff demands an accounting be made of all purchases and sales of TETRA securities by the Insider Selling Defendants during the period January 1, 2007 through the present, including, without limitation, the dates of the insider trading transactions (*i.e.*, the purchase, acquisition, sale or disposition of TETRA securities), the source of funds or consideration for the transactions, the identification and details of any options exercised in connection with the transactions, as well as the disposition of any proceeds received by any of the Defendants via the transactions.

SECOND CAUSE OF ACTION

Breach of Fiduciary Duty and/or Aiding and Abetting Against All Defendants

83. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

84. Each of the Defendants agreed to and did participate with each of the other Defendants and/or aided and abetted one another in a deliberate course of action designed to divert corporate assets in breach of fiduciary duties the Defendants owed to the Company.

85. The Defendants have violated fiduciary duties of good faith, fidelity, due care, loyalty, candor and independence owed to TETRA and its public shareholders, have engaged in

unlawful self-dealing and have acted to put their personal interests and/or their colleagues' interests ahead of the interests of TETRA and its shareholders.

86. As alleged herein, Defendants who were and/or still are officers and directors at TETRA breached their fiduciary duties by (among other things):

(a) Individually and/or collectively issuing, drafting, signing and/or otherwise authorizing materially false and misleading SEC filings and press releases to be disseminated to the public and to TETRA shareholders that made materially false and misleading representations and omissions concerning TETRA's financial condition and future earnings estimates; and/or

(b) selling TETRA common stock while in possession of material, non-public information exercising backdated stock options to unjustly reap excessive compensation from insider selling proceeds.

87. As demonstrated by the allegations above, Defendants failed to exercise the care required, and breached their duties of good faith, due care, fidelity, loyalty, candor and independence owed to TETRA and its public shareholders, by failing to disclose material information and/or by making material misrepresentations to shareholders, and/or engaging in improper insider trading of their personal TETRA stock while in possession of material, non-public information about the Company.

88. By reason of the foregoing acts, practices and course of conduct, the Defendants have failed to exercise ordinary care and diligence in the exercise of their fiduciary obligations toward TETRA and its public shareholders.

89. As a proximate result of Defendants' conduct, TETRA has been injured and is entitled to damages.

THIRD CAUSE OF ACTION

Abuse of Control Against All Defendants

90. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

91. The Defendants employed the alleged scheme for the purpose of maintaining and entrenching themselves in their positions of power, prestige and profit at, and control over, TETRA, and to continue to receive the substantial benefits, salaries and emoluments associated with their positions at TETRA. As a part of this scheme, Defendants actively made and/or participated in the making of or aided and abetted the making of, misrepresentations regarding TETRA and/or engaged in illegal and improper insider trading.

92. Defendants' conduct constituted an abuse of their ability to control and influence TETRA.

93. By reason of the foregoing, TETRA has been damaged.

FOURTH CAUSE OF ACTION

Gross Mismanagement Against All Defendants

94. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

95. Defendants had a duty to TETRA and its shareholders to prudently supervise, manage and control the operations, business and internal financial accounting and disclosure controls of TETRA.

96. Defendants, by their actions and by engaging in the wrongdoing described herein, abandoned and abdicated their responsibilities and duties with regard to prudently managing the businesses of TETRA in a manner consistent with the duties imposed upon them by law. By committing the misconduct alleged herein, Defendants breached their duties of due care, diligence

and candor in the management and administration of TETRA's affairs and in the use and preservation of TETRA's assets.

97. During the course of the discharge of their duties, Defendants knew or recklessly disregarded the unreasonable risks and losses associated with their misconduct, yet Defendants caused TETRA to engage in the scheme complained of herein which they knew had an unreasonable risk of damage to TETRA, thus breaching their duties to the Company. As a result, Defendants grossly mismanaged TETRA.

98. By reason of the foregoing, TETRA has been damaged.

FIFTH CAUSE OF ACTION

Constructive Fraud Against All Defendants

99. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

100. As corporate fiduciaries, Defendants owed to TETRA and its shareholders a duty of candor and full accurate disclosure regarding the true state of TETRA's business and assets and their conduct with regard thereto.

101. As a result of the conduct complained of, Defendants made, or aided and abetted the making of, numerous misrepresentations to and/or concealed material facts from TETRA's shareholders despite their duties to, *inter alia*, disclose the true facts regarding their stewardship of TETRA. Thus they have committed constructive fraud and violated their duty of candor.

102. By reason of the foregoing, TETRA has been damaged.

SIXTH CAUSE OF ACTION

Corporate Waste Against All Defendants

103. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

104. As a result of the wrongdoing alleged herein, defendants have unreasonably and unnecessarily subjected TETRA to liability in the untold millions of dollars, to the extreme detriment of the Company, thereby resulting in corporate waste.

105. As a result of Defendants' corporate waste, they are liable to the Company.

SEVENTH CAUSE OF ACTION

Unjust Enrichment Against All Defendants

106. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

107. As a result of the conduct described above, Defendants will be and have been unjustly enriched at the expense of TETRA, in the form of unjustified salaries, benefits, bonuses, stock option grants, insider trading proceeds, and other emoluments of office.

108. In addition, the Insider Selling Defendants were unjustly enriched by their receipt of proceeds from their illegal sales of TETRA common stock. As a result, it would be unconscionable to allow them to retain the benefits of their illegal conduct.

109. To remedy the unjust enrichment to the Insider Selling Defendants from their insider selling, the Court should order them to disgorge all proceeds derived from their illegal sales of TETRA common stock.

110. All the payments and benefits provided to the Defendants were at the expense of TETRA. The Company received no benefit from these payments. TETRA was damaged by such payments.

111. A constructive trust for the benefit of the Company should be imposed upon all benefits paid to, or received by, Defendants during the Relevant Period, including all insider trading proceeds described herein.

EIGHTH CAUSE OF ACTION

Against the Insider Selling Defendants for Breach of Fiduciary Duties for Insider Selling and Misappropriation of Information

112. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

113. At the time of the stock sales set forth herein, the Insider Selling Defendants knew the information described above, and sold TETRA common stock on the basis of such information.

114. The information described above was proprietary non-public information concerning the Company's financial condition and future business prospects. It was a proprietary asset belonging to the Company, which the Insider Selling Defendants used for their own benefit when they sold TETRA common stock.

115. At the time of their stock sales, the Insider Selling Defendants knew that the Company's revenues and future earnings growth was materially overstated. The Insider Selling Defendants' sales of TETRA common stock while in possession and control of this material adverse non-public information was a breach of their fiduciary duties of loyalty and good faith.

116. Since the use of the Company's proprietary information for their own gain constitutes a breach of the Insider Selling Defendants' fiduciary duties, the Company is entitled to the imposition of a constructive trust on any profits the Insider Selling Defendants obtained thereby.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment as follows:

A. Awarding money damages against all Defendants, jointly and severally, for all losses and damages suffered as a result of the acts and transactions complained of herein, together with pre-judgment interest, to ensure Defendants do not participate therein or benefit thereby;

B. Directing all Defendants to account for all damages caused by them and all profits and special benefits and unjust enrichment they have obtained as a result of their unlawful conduct, including all salaries, bonuses, fees, stock awards, options and common stock sale proceeds and imposing a constructive trust thereon;

C. Directing TETRA to take all necessary actions to reform and improve its corporate governance and internal control procedures to comply with applicable law, including, but not limited to, putting forward for a shareholder vote resolutions for amendments to the Company's By-Laws or Articles of Incorporation and taking such other action as may be necessary to place before shareholders for a vote adoption of Corporate Governance policies:

(a) to appropriately test and then strengthen the internal audit and control function;

(b) to control and limit insider stock selling and the terms and timing of stock option grants; and

(c) to reform executive compensation.

D. Ordering the imposition of a constructive trust over Defendants' insider trading proceeds and any assets or further proceeds derived therefrom;

E. Awarding punitive damages;

F. Awarding costs and disbursements of this action, including reasonable attorneys', accountants', and experts' fees; and

G. Granting such other and further relief as this Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: September 18, 2009

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