Adaptimmune Therapeutics PLC
Form 8-K/A
February 27, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

Current Report

Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 27, 2019**

ADAPTIMMUNE THERAPEUTICS PLC

(Exact name of registrant as specified in its charter)

England and Wales	**1-37368**	**Not Applicable**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

60 Jubilee Avenue, Milton Park

Abingdon, Oxfordshire OX14 4RX

United Kingdom

(Address of principal executive offices, including zip code)

(44) 1235 430000

(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Explanatory Note

This Amendment No. 1 to the Current Report on Form 8-K amends Item 2.02 of the Current Report on Form 8-K filed on February 27, 2019 (the Original Form 8-K) solely to correct certain errors in the press release furnished as Exhibit 99.1 thereto (the Exhibit). The corrected press release is furnished as Exhibit 99.1 hereto. No other changes have been made to the Original Form 8-K.

Item 2.02 Results of Operations and Financial Condition.

The Exhibit 99.1 attached hereto is a replacement of the Exhibit furnished on the Original Form 8-K.

The information in Item 2.02 of this Form 8-K/A (including the attached Exhibit 99.1) shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the Exchange Act), or incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by the Company by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.1	Press release regarding fourth quarter and full year 2018 financial results and business update dated February 27, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ADAPTIMMUNE THERAPEUTICS PLC

Date: February 27, 2019	By:	/s/ Margaret Henry Name: Margaret Henry Title: Corporate Secretary

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% Change

(In Thousands, Except Percentages)

Revenues	$89,847	$88,829	$1,018	1.1%
Gross profit	21,327	18,778	2,549	13.6%
Gross profit as a percentage of revenue	23.7%	21.1%		
General and administrative expense	7,872	7,363	509	6.9%
General and administrative expense as a percentage of revenue	8.8%	8.3%		
Interest (income) expense, net	34	26	8	
Other (income) expense, net	(538)	(156)	(382)	
Income before taxes and discontinued operations	$13,959	$11,545	$2,414	20.9%
Income before taxes and discontinued operations as a percentage of revenue	15.5%	13.0%		

The increase in Fluids Division revenues during the second quarter of 2012 compared to the prior year period was primarily due to a $4.3 million net increase in product sales revenues. This increase was due to $9.2 million of increased CBFs product sales revenues. The majority of these increased revenues were from the segment's U.S. operations, although international revenues from CBF sales also increased. Partially offsetting this increase in CBF revenues was approximately $4.9 million of decreased revenue from manufactured products, primarily from decreased industrial demand due to weather, particularly in Europe. Onshore domestic activity levels were increased as compared to the prior year period, primarily in shale reservoir markets. The increase in product sales revenues was partially offset by $3.4 million in decreased service revenues, due to decreased domestic frac water service activity.

Fluids Division gross profit increased compared to the prior year period, primarily as a result of the increased domestic CBF revenues discussed above. This increase was partially offset by decreased gross profit from the Division's European manufactured products operation, which was impacted by the decreased demand discussed above. In addition, the Division's European calcium chloride plant is expected to experience reduced production levels associated with unplanned equipment repairs, which are expected to be completed during the third quarter of 2012.

Fluids Division income before taxes increased compared to the prior year period due to the increase in gross profit discussed above and increased other income, and despite increased administrative costs. Other income increased primarily due to increased income from an unconsolidated joint venture. Fluids Division administrative costs increased primarily due to increased personnel-related costs.

Production Enhancement Division

Production Testing Segment

	Three Months Ended June 30,		Period to Period Change	
	2012	2011	2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$50,329	$31,739	$18,590	58.6 %
Gross profit	15,420	9,065	6,355	70.1 %
Gross profit as a percentage of revenue	30.6 %	28.6 %		
General and administrative expense	5,622	2,935	2,687	91.6 %
General and administrative expense as a percentage of revenue	11.2 %	9.2 %		
Interest (income) expense, net	25	-	25	
Other (income) expense, net	(1,397)	142	(1,539)	
Income before taxes and discontinued operations	$11,170	$5,988	$5,182	86.5 %
Income before taxes and discontinued operations as a percentage of revenue	22.2 %	18.9 %		

Production Testing revenues increased during the second quarter of 2012 due to an increase of approximately $10.3 million in domestic revenues. This increase was primarily a result of acquisitions and the increased domestic onshore oil and gas drilling activity compared to the prior year period. In particular, the Production Testing segment capitalized on the increased domestic onshore activity associated with drilling in many of the shale reservoir markets it serves. Domestic revenues also increased due to approximately $7.0 million of revenues associated with the April 2012 acquisition of ERS. In addition, international revenues increased by approximately $8.3 million, primarily due to the March 2012 acquisition of Optima, which generated approximately $7.0 million of increased revenues. International revenues also grew due to increased revenue from a South American technical management contract compared to the 2011 period. During July 2012, the Production Testing segment acquired the assets and operations of Greywolf. Revenues of this segment are expected to further increase going forward as a result of these acquisitions.

Production Testing segment gross profit increased during the second quarter of 2012, primarily due to increased international profitability compared to the prior year period, particularly from the March 2012 acquisition of Optima and due to the South American technical management contract discussed above. Revenue and gross profit from this ongoing contract is recognized upon achieving contract milestones. In addition, segment gross profit from domestic activity also increased due to the impact from the ERS acquisition as well as from the increased domestic activity discussed above.

Production Testing income before taxes increased due to the increased gross profit discussed above as well as due to increased other income that resulted from increased earnings from an unconsolidated joint venture and increased foreign currency gains. These increases were partially offset by increased administrative expenses due primarily to increased personnel-related costs associated with the Optima and ERS acquisitions, and approximately $0.3 million of transaction costs expensed in connection with these acquisitions.

Compressco Segment

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Period to Period Change 2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$25,258	$22,326	$2,932	13.1 %
Gross profit	9,241	6,925	2,316	33.4 %
Gross profit as a percentage of revenue	36.6 %	31.0 %		
General and administrative expense	4,152	2,994	1,158	38.7 %
General and administrative expense as a percentage of revenue	16.4 %	13.4 %		
Interest (income) expense, net	(10)	(4)	(6)	
Other (income) expense, net	454	126	328	
Income before taxes and discontinued operations	$4,645	$3,809	$836	21.9 %
Income before taxes and discontinued operations as a percentage of revenue	18.4 %	17.1 %		

The increase in Compressco revenues compared to the prior year period was due to an increase of $4.4 million of service revenues resulting from increased activity, particularly in Latin America and in domestic shale reservoir markets. Partially offsetting this increase was a $1.5 million decrease from sales of compressor units and parts during the second quarter compared to the prior year. Compressco has increased its compressor fleet in Latin America to serve the increasing demand.

Compressco gross profit increased during the second quarter of 2012 compared to the prior year period, primarily due to the increased Latin America activity discussed above. In addition, Compressco has reduced its domestic operating expenses, including maintenance, fuel, and labor costs, and plans to further improve its domestic operating profitability going forward.

Income before taxes for Compressco increased during the second quarter of 2012 compared to the prior year period due to the increased gross profit discussed above, despite increased administrative expenses. Compressco's administrative expenses reflect increased administrative staff expenses as a result of Compressco Partners becoming a separate publicly traded limited partnership in the second quarter of 2011. In addition, general and administrative expense during the second quarter of 2012 also includes the allocation of a portion of our corporate administrative expenses to Compressco Partners pursuant to our Omnibus Agreement with Compressco Partners executed in connection with its initial public offering.

Offshore Division

Offshore Services Segment

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Period to Period Change 2012 vs 2011	% Change
	(In Thousands, Except Percentages)			

Revenues	$80,676		$87,255		$(6,579	)	-7.5	%
Gross profit	15,124		16,433		(1,309	)	-8.0	%
Gross profit as a percentage of revenue	18.7	%	18.8	%				
General and administrative expense	3,659		4,093		(434	)	-10.6	%
General and administrative expense as a percentage of revenue	4.5	%	4.7	%				
Interest (income) expense, net	27		-		27			
Other (income) expense, net	(326	)	(1,237	)	911			
Income before taxes and discontinued operations	$11,764		$13,577		$(1,813	)	-13.4	%
Income before taxes and discontinued operations as a percentage of revenue	14.6	%	15.6	%				

Revenues from our Offshore Services segment decreased during the second quarter of 2012 compared to the prior year quarter. Increased decommissioning services revenues, including those from the heavy lift barge purchased during 2011, were more than offset by decreased abandonment, diving, and

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cutting services revenue during the current year period. In addition to the continuing challenges of increased competition, pricing pressures, and permitting delays experienced by several of the Offshore Services segment's customers, the segment also experienced weather disruptions during the current year quarter, particularly from Tropical Storm Debby. In addition, revenues decreased due to the 2011 sale of the segment's onshore abandonment operations, which generated approximately $1.9 million in revenues during the prior year period. Approximately $12.4 million of Offshore Services revenues were from work performed for Maritech during the second quarter of 2012, compared to $28.4 million of such work in the prior year period, as Maritech continues to decommission and abandon its remaining oil and gas platform structures. These intercompany revenues are eliminated in consolidation.

Gross profit for the Offshore Services segment during the second quarter of 2012 decreased as compared to the prior year period, primarily due to decreased profitability of our abandonment, diving, and cutting services revenues, mostly as a result of the decreased pricing during the current year quarter. This decrease was partially offset by improved profitability of our decommissioning operations.

Offshore Services segment income before taxes decreased primarily due to the reduced gross profit discussed above and decreased other income, which was caused by the gain on the sale of onshore abandonment operations during the prior year period.

Maritech Segment

	Three Months Ended June 30,		Period to Period Change	
	2012	2011	2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$1,179	$33,382	$(32,203)	-96.5%
Gross profit (loss)	(7,263)	(14,737)	7,474	50.7%
Gross profit (loss) as a percentage of revenue	-616.0%	-44.1%		
General and administrative expense	915	3,338	(2,423)	-72.6%
General and administrative expense as a percentage of revenue	77.6%	10.0%		
Interest (income) expense, net	-	(1)	1	
Other (income) expense, net	448	(56,597)	57,045	
Income (loss) before taxes and discontinued operations	$(8,626)	$38,523	$(47,149)	-122.4%
Income (loss) before taxes and discontinued operations as a percentage of revenue	-731.6%	115.4%		

Maritech revenues decreased significantly during the second quarter of 2012 compared to the prior year period due to the sale of substantially all of its oil and gas reserves during 2011 and 2012. In particular, the May 31, 2011, sale of oil and gas properties resulted in the sale of approximately 79% of Maritech's proven reserves. Following the sales of almost all of its producing properties, Maritech revenues are expected to continue to be negligible.

Maritech gross loss decreased during the second quarter of 2012 compared to the prior year period, despite the decreased revenues discussed above, primarily due to reduced operating and depletion expenses associated with the sold properties. In addition, Maritech recorded $9.2 million of impairments and $7.0 million of higher excess decommissioning costs during the prior year period.

Maritech recorded a pretax loss during the second quarter of 2012 compared to pretax income during the prior year period, which was primarily due to a gain of $56.6 million ($58.2 million consolidated) on the sale of oil and gas producing properties during the prior year period. This decrease in other income was partially offset by the decreased gross loss compared to the prior year period and the decreased net administrative expenses during the current year period. This decrease in administrative expense is primarily due to the reduction in its headcount following the sale of properties, and this decrease more than offset the decrease in administrative costs billed to joint owners.

Corporate Overhead

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Period to Period Change 2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Gross profit (loss) (primarily depreciation expense)	$ (741)	$ (686)	$ (55)	-8.0 %
General and administrative expense	9,246	8,283	963	11.6 %
Interest (income) expense, net	4,008	4,065	(57)	
Other (income) expense, net	477	14,442	(13,965)	
(Loss) before taxes and discontinued operations	$ (14,472)	$ (27,476)	$ 13,004	47.3 %

Corporate Overhead includes corporate general and administrative expense, interest income and expense, and other income and expense. Such expenses and income are not allocated to our operating divisions, as they relate to our general corporate activities. However, in connection with the public offering of common units in our Compressco Partners subsidiary, on June 20, 2011, we began allocating and charging Compressco Partners for its share of our corporate administrative costs directly related to Compressco Partners' activities. Corporate Overhead decreased during the second quarter of 2012 compared to the prior year period, primarily due to decreased other expenses, which included $14.2 million of hedge ineffectiveness losses in the prior year period due to the April 2011 liquidation of the remaining commodity derivative swap agreements that previously were designated as hedges of Maritech's production cash flows. In addition, corporate administrative costs also increased, largely due to approximately $0.8 million of increased professional fee expenses.

Six months ended June 30, 2012 compared with six months ended June 30, 2011.

Consolidated Comparisons

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	Period to Period Change 2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$415,705	$457,659	$(41,954)	-9.2 %
Gross profit	85,503	62,177	23,326	37.5 %
Gross profit as a percentage of revenue	20.6 %	13.6 %		
General and administrative expense	62,357	56,768	5,589	9.8 %
General and administrative expense as a percentage of revenue	15.0 %	12.4 %		
Interest expense, net	8,235	8,276	(41)	-0.5 %
(Gain) loss on sale of assets	(3,264)	(60,309)	57,045	
Other (income) expense, net	(2,017)	13,929	(15,946)	
Income before taxes and discontinued operations	20,192	43,513	(23,321)	-53.6 %
Income before taxes and discontinued operations as a percentage of revenue	4.9 %	9.5 %		
Provision for income taxes	6,866	15,502	(8,636)	-55.7 %

Income before discontinued operations	13,326	28,011	(14,685)	-52.4 %
Income (loss) from discontinued operations, net of taxes	2	(57)	59	
Net income	13,328	27,954	(14,626)	-52.3 %
Net income attributable to noncontrolling interest	(1,073)	(95)	(1,073)	
Net income attributable to TETRA stockholders	$12,255	$27,859	$(15,699)	-56.4 %

Consolidated revenues for the six months ended June 30, 2012, decreased compared to the prior year period, primarily due to the sales of Maritech oil and gas producing properties, which resulted in a $73.6 million decrease in Maritech revenues. Maritech revenues are expected to be negligible going forward. Increased activity compared to the first six months of 2011 and the acquisitions of Optima and ERS led to a $23.7 million growth in revenues for our Production Testing segment. The increased activity for our Production Testing segment was primarily in the U.S., and reflected increased industry drilling activity. Our Fluids segment's revenue growth was also due to increased industry activity, which resulted in increased CBF product sales, and more than offset the decreased product sales by the segment's manufactured products businesses. Compressco also reported increased revenues, primarily due to increased activity and demand in Latin America. Offshore Services revenues decreased, primarily due to a decrease in the work performed for Maritech compared to the prior year period. Overall gross profit increased, primarily due to significant impairments recorded by Maritech during the prior year period, as well as due to the increased profitability of our Fluids, Production Testing, and Compressco segments, which resulted primarily from the increased industry activity levels compared to the prior year period.

Consolidated general and administrative expenses increased by $5.6 million during the first six months of 2012 compared to the prior year period, primarily due to a $3.6 million increase by our Production Testing segment and a $3.2 million increase by our Compressco segment. Production Testing segment administrative expenses increased as a result of acquisitions completed during the first six months of 2012, including approximately $1.6 million of associated transaction costs. Compressco administrative expenses increased as a result of administrative and public company costs associated with Compressco Partners being a separate, publicly traded limited partnership. These increases were partially offset by decreased Maritech administrative costs, which more than offset the decreased billings to joint owners. By type of cost, general and administrative expenses increased due to approximately $1.1 million of increased employee related costs, approximately $2.6 million of increased professional fee expenses, approximately $0.9 million of decreased billings to joint owners for Maritech administrative overhead, approximately $0.5 million of increased insurance and taxes expense, and approximately $0.8 million of increased office expenses. These increases in consolidated general and administrative expenses were partially offset by approximately $0.2 million of other general expenses. The increased professional fee expenses consisted primarily of the $1.6 million of acquisition transaction costs and $0.5 million of increased Compressco public company costs.

Consolidated other income increased during the first six months of 2012 compared to the prior year period, primarily due to $14.2 million of hedge ineffectiveness losses recorded during the prior year period. In addition, during the 2011 period, Maritech recorded gains on sales of its oil and gas properties, including approximately $58.2 million from a sale of approximately 79% of its oil and gas producing properties during the second quarter of 2011.

Our provision for income taxes decreased during the first six months of 2012 compared to the prior year period, due to reduced net earnings for the current period.

Divisional Comparisons

Fluids Division

	Six Months Ended June 30,				Period to Period Change			
	2012		2011		2012 vs 2011		% Change	
	(In Thousands, Except Percentages)							
Revenues	$169,180		$166,173		$3,007		1.8	%
Gross profit	39,247		32,385		6,862		21.2	%
Gross profit as a percentage of revenue	23.2	%	19.5	%				
General and administrative expense	14,871		13,766		1,105		8.0	%
General and administrative expense as a percentage of revenue	8.8	%	8.3	%				
Interest (income) expense, net	61		30		31			
Other (income) expense, net	(1,109	)	(205	)	(904	)		
Income before taxes and discontinued operations	$25,424		$18,794		$6,630		35.3	%
Income before taxes and discontinued	15.0	%	11.3	%				

operations as a percentage of revenue

The increase in Fluids Division revenues during the first six months of 2012 compared to the prior year period was primarily due to a $6.3 million net increase in product sales revenues. This increase was primarily due to approximately $15.1 million of increased clear brine fluids (CBFs) product sales revenues. The majority of these increased revenues were from the segment's U.S. operations, although international revenues also increased. Partially offsetting this increase in CBF sales was approximately $8.8 million of decreased revenue from manufactured products, primarily from decreased industrial demand due to weather, particularly in Europe. Manufactured product sales revenues also decreased due to the reduced sales of dry calcium chloride following the shutdown of our Lake Charles pellet plant during mid-2011. Onshore domestic industry activity levels were increased as compared to the prior year period, primarily in

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shale reservoir markets. The increase in product sales revenues was partially offset by $3.4 million decrease in service revenues, due to decreased domestic frac water service activity compared to the prior year period.

Fluids Division gross profit increased compared to the prior year period, primarily as a result of the increased domestic CBF revenues discussed above and increased efficiency at our El Dorado, Arkansas, calcium chloride plant. These increases were partially offset by decreased gross profit from the Division's European manufactured products operation, which was impacted by the decreased demand discussed above. In addition, the Division's European calcium chloride plant is expected to experience reduced production levels associated with unplanned equipment repairs which are expected to be completed during the third quarter of 2012.

Fluids Division income before taxes increased compared to the prior year period due to the increase in gross profit discussed above and increased other income, and despite increased administrative costs. Other income increased primarily due to increased income from an unconsolidated joint venture and foreign currency exchange gains. Fluids Division administrative costs increased, primarily due to increased personnel-related costs.

Production Enhancement Division

Production Testing Segment

	Six Months Ended June 30,				Period to Period Change		
	2012		2011		2012 vs 2011	% Change	
	(In Thousands, Except Percentages)						
Revenues	$88,612		$64,949		$23,663	36.4	%
Gross profit	25,355		21,057		4,298	20.4	%
Gross profit as a percentage of revenue	28.6	%	32.4	%			
General and administrative expense	10,605		6,989		3,616	51.7	%
General and administrative expense as a percentage of revenue	12.0	%	10.8	%			
Interest (income) expense, net	31		(36	)	67		
Other (income) expense, net	(2,128	)	(967	)	(1,161	)	
Income before taxes and discontinued operations	$16,847		$15,071		$1,776	11.8	%
Income before taxes and discontinued operations as a percentage of revenue	19.0	%	23.2	%			

Production Testing revenues increased during the first six months of 2012 as compared to the prior period primarily due to an increase of approximately $15.8 million in domestic revenues. This increase was a result of increased domestic onshore oil and gas drilling activity compared to the prior year period, as reflected by rig count data. In particular, the Production Testing segment capitalized on the increased domestic onshore activity associated with drilling in many of the shale reservoir markets it serves. The increased domestic revenues also include approximately $7.0 million of revenues associated with the April 2012 acquisition of ERS. In addition, international revenues increased approximately $8.6 million compared to the prior year period due to the March 2012 acquisition of Optima. During July 2012, the Production Testing segment acquired the assets and operations of Greywolf. Revenues of this segment are expected to further increase going forward as a result of these acquisitions.

Production Testing segment domestic gross profit increased during the first six months of 2012 compared to the prior year period, primarily due to the increased domestic activity and the ERS acquisition discussed above. Gross profit from international operations also increased compared to the prior year period, as the impact of the Optima acquisition more than offset the decreased profitability from the South American technical management contract.

Production Testing income before taxes increased due to the increased gross profit discussed above, as well as due to increased other income, which was primarily due to increased earnings from an unconsolidated joint venture and from increased foreign currency gains. These increases were partially offset by increased administrative expenses resulting from increased personnel-related costs associated

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with the acquisitions, as well as approximately $1.6 million of acquisition transaction costs expensed during the period.

Compressco Segment

	Six Months Ended June 30,		Period to Period Change	
	2012	2011	2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$47,940	$44,210	$3,730	8.4 %
Gross profit	17,122	13,544	3,578	26.4 %
Gross profit as a percentage of revenue	35.7 %	30.6 %		
General and administrative expense	8,726	5,517	3,209	58.2 %
General and administrative expense as a percentage of revenue	18.2 %	12.5 %		
Interest (income) expense, net	(22)	(3)	(19)	
Other (income) expense, net	263	216	47	
Income before taxes and discontinued operations	$8,155	$7,814	$341	4.4 %
Income before taxes and discontinued operations as a percentage of revenue	17.0 %	17.7 %		

The increase in Compressco revenues compared to the prior year period was due to an increase of $6.5 million of service revenues resulting from increased activity, particularly in Latin America. Partially offsetting this increase was a $2.8 million decrease from sales of compressor units and parts during the first six months of 2012 compared to the prior year period. Compressco has expanded its fleet in Latin America in response to the increased demand.

Compressco gross profit increased during the first six months of 2012 compared to the prior year period, primarily due to the increased Latin America activity discussed above, and decreased domestic operating expenses. Compressco has taken steps to reduce domestic operating expenses, including maintenance, fuel, and labor costs, and seeks to further improve its operating profitability going forward.

Income before taxes for Compressco increased during the first six months of 2012 compared to the prior year period due to the increased gross profit discussed above, although this increase was largely offset by increased administrative expenses. Compressco's administrative expenses reflect increased administrative staff and professional fee expenses associated with being a separate publicly traded limited partnership. In addition, general and administrative expense during 2012 also includes the allocation of a portion of our corporate administrative expenses to Compressco Partners pursuant to our Omnibus Agreement with Compressco Partners.

Offshore Division

Offshore Services Segment

	Six Months Ended June 30,		Period to Period Change	
	2012	2011	2012 vs 2011	% Change

	(In Thousands, Except Percentages)								
Revenues	$125,771		$138,970		$(13,199	)	-9.5	%
Gross profit	14,019		15,770		(1,751	)	-11.1	%
Gross profit (loss) as a percentage of revenue	11.1	%	11.3	%				
General and administrative expense	7,630		7,819		(189	)	-2.4	%
General and administrative expense as a percentage of revenue	6.1	%	5.6	%				
Interest (income) expense, net	54		-		54			
Other (income) expense, net	(4,396	)	(1,250	)	(3,146	)		
Income before taxes and discontinued operations	$10,731		$9,201		$1,530		16.6	%
Income before taxes and discontinued operations as a percentage of revenue	8.5	%	6.6	%				

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Revenues from our Offshore Services segment decreased during the first six months of 2012 compared to the prior year period. Increased decommissioning services revenues, including those from the heavy lift barge purchased during 2011, were more than offset by decreased diving, abandonment, and cutting services revenues during the current year period. In addition to the continuing challenges of increased competition, pricing pressures, and permitting delays experienced by several of the Offshore Services segment's customers, the segment also experienced weather disruptions during the current year period, particularly from Tropical Storm Debby. Diving services revenues were also negatively affected by certain vessel repairs scheduled during the first quarter of the current year period. In addition, revenues decreased due to the 2011 sale of the segment's onshore abandonment operations, which generated approximately $5.2 million in revenues during the prior year period. Approximately $19.7 million of Offshore Services revenues were from work performed for Maritech during the first six months of 2012, compared to $34.0 million of such work in the prior year period. Maritech plans to continue to aggressively decommission and abandon its remaining oil and gas platform structures. These intercompany revenues are eliminated in consolidation.

Gross profit for the Offshore Services segment during the first six months of 2012 decreased as compared to the prior year period. This decrease was primarily due to decreased profitability of our cutting services operations and mostly due to decreased pricing during the current year period. This decrease was partially offset by improved profitability of our abandonment operations.

Offshore Services segment income before taxes increased despite the reduced gross profit, primarily due to the gain on the sale of certain abandonment assets that generated approximately $4.1 million of other income during the first quarter of 2012.

Maritech Segment

	Six Months Ended June 30,		Period to Period Change	
	2012	2011	2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Revenues	$3,794	$77,404	$(73,610)	-95.1%
Gross profit (loss)	(8,757)	(19,314)	10,557	54.7%
Gross profit (loss) as a percentage of revenue	-230.8%	-25.0%		
General and administrative expense	1,367	4,027	(2,660)	-66.1%
General and administrative expense as a percentage of revenue	36.0%	5.2%		
Interest (income) expense, net	1	20	(19)	
Other (income) expense, net	582	(57,364)	57,946	
Income (loss) before taxes and discontinued operations	$(10,707)	$34,003	$(44,710)	-131.5%
Income (loss) before taxes and discontinued operations as a percentage of revenue	-282.2%	43.9%		

Maritech revenues decreased significantly during the first six months of 2012 compared to the prior year period due to the sale of substantially all of its oil and gas reserves during 2011 and 2012. In particular, the May 31, 2011, sale of oil and gas properties resulted in the sale of approximately 79% of Maritech's proven reserves. Following the sales of almost all of its producing properties, Maritech revenues are expected to continue to be negligible.

Maritech gross loss decreased during the first six months of 2012 compared to the prior year period despite the decreased revenues discussed above, primarily due to reduced operating and depletion expenses associated with the sold properties. In addition, Maritech recorded $12.5 million of impairments and approximately $14.0 million of higher excess decommissioning costs during the prior year period.

Maritech reported a pretax loss during the first six months of 2012 compared to pretax income during the prior year period, primarily due to approximately $57.4 million ($59.3 million consolidated) of gains from sales of producing properties reported in the prior year period. This decrease in other income was partially offset by the decreased gross loss discussed above. In addition, Maritech reported decreased net administrative expenses during the current year period, primarily due to the reduction in its headcount following the sale of properties, and this decrease more than offset the decrease in administrative costs billed to joint owners.

Corporate Overhead

	Six Months Ended June 30, 2012	2011	Period to Period Change 2012 vs 2011	% Change
	(In Thousands, Except Percentages)			
Gross profit (loss) (primarily depreciation expense)	$ (1,483)	$ (1,373)	$ (110)	-8.0 %
General and administrative expense	19,158	18,649	509	2.7 %
Interest (income) expense, net	8,110	8,265	(155)	
Other (income) expense, net	1,507	14,830	(13,323)	
(Loss) before taxes and discontinued operations	$ (30,258)	$ (43,117)	$ 12,859	29.8 %

Corporate Overhead includes corporate general and administrative expense, interest income and expense, and other income and expense. Such expenses and income are not allocated to our operating divisions, as they relate to our general corporate activities. However, in connection with the public offering of common units in our Compressco Partners subsidiary, on June 20, 2011, we began allocating and charging Compressco Partners for its share of our corporate administrative costs directly related to Compressco Partners' activities. Corporate Overhead decreased during the first six months of 2012 compared to the prior year period, primarily due to decreased other expense, primarily resulting from a $13.9 million hedge ineffectiveness loss during the 2011 period. This hedge ineffectiveness loss was primarily due to the April 2011 liquidation of hedge derivative contracts, following the planned sale of a significant portion of Maritech oil and gas producing properties, which resulted in a $14.2 million charge to corporate other expense for hedge ineffectiveness during the second quarter of 2011. This increase also includes an increase in corporate administrative costs, which was largely due to approximately $0.9 million of increased professional fee expenses offset by approximately $0.4 decrease in insurance and taxes.

Liquidity and Capital Resources

Our growth strategy includes the pursuit of suitable acquisitions and other opportunities to expand operations. In March 2012, we spent approximately $65.0 million of our available cash to acquire the common stock of Optima Solutions Holdings Limited (Optima), a provider of rig cooling services and associated products that suppress heat generated by high rate flaring of hydrocarbons during well test operations. In April 2012, we spent an additional $42.5 million of our available cash to acquire the assets and operations of ERS, a domestic production testing and after-frac flow back operation. In July 2012, we spent an additional $55.5 million of available cash and borrowings to acquire the assets and operations of Greywolf, a North American production testing and after-frac flow back operation. Each of these transactions has significantly and strategically expanded our Production Testing segment's operations. In addition to these acquisitions, during the six months ended June 30, 2012, we spent $55.9 million on additional capital expenditures for our existing businesses. We expect to fund our capital expenditure plans during the remainder of 2012 from our available cash and future operating cash flows. Our future operating cash flows, as well as revenues and profitability levels, are largely dependent on the level of oil and gas industry activity in the markets we serve and are significantly affected by oil and natural gas commodity prices. Given that these commodity prices have decreased from late 2011 levels, our capital expenditure and acquisition plans going forward will be reviewed carefully in light of the activity levels of our businesses. Although the use of approximately $163 million of cash on these acquisitions significantly changes our liquidity position compared to December 31, 2011, we continue to have significant capital resources, including $219.4 in availability under our revolving credit facility, to pursue additional suitable acquisitions as part of our growth strategy.

Operating Activities

Cash flows used by operating activities totaled $8.0 million during the first six months of 2012 compared to $59.9 million of cash generated by operating activities during the prior year period, a decrease of $67.9 million. This decrease in operating cash flows during 2012 compared to the prior year period primarily reflects decreased earnings, the increased use of operating cash flows for working capital during

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the current year period, and the sale by Maritech of substantially all of its oil and gas properties during the first six months of 2011. Increased cash used for working capital during 2012 compared to the prior year period was mainly as a result of increased accounts receivable balances and the collection of federal tax refunds during the 2011 period.

During the past three years, Maritech has performed an extensive amount of well abandonment and decommissioning work associated with its offshore oil and gas production wells, platforms, and facilities. As of June 30, 2012, and following the sale of substantially all of its oil and gas producing properties, the estimated third-party discounted fair value, including an estimated profit, of Maritech's decommissioning liabilities totaled $106.0 million. Our future operating cash flow will continue to be affected by the actual timing and amount of Maritech's decommissioning expenditures. Approximately $75.5 million of the cash outflow necessary to extinguish Maritech's remaining decommissioning liability is expected to occur over the twelve month period ending June 30, 2013. Included in Maritech's decommissioning liabilities is the remaining abandonment, decommissioning, and debris removal associated with two offshore platforms that were previously destroyed by hurricanes. Due to the unique nature of the remaining work to be performed associated with these downed platforms, actual costs could greatly exceed these estimates and, depending on the nature of any excess costs incurred, could result in significant charges to earnings in future periods.

In some cases, the previous owners of properties that were acquired by Maritech are contractually obligated to pay Maritech a fixed amount for the well abandonment and decommissioning work on these properties as the work is performed, which will partially offset Maritech's future expenditures. Maritech's estimated decommissioning liabilities are net of amounts allocable to joint interest owners and any contractual amounts to be paid by the previous owners of the properties. As of June 30, 2012, Maritech's total decommissioning obligation is approximately $108.2 million, which includes Maritech's total liability of $106.0 million plus approximately $2.2 million of such contractual reimbursement arrangements with the previous owners. An additional $18.4 million of such contractual reimbursement arrangements as of June 30, 2012, is classified as receivable assets related to amounts waiting to be invoiced and collected.

Demand for a large portion of our products and services is driven by oil and gas industry activity, which is affected by oil and natural gas commodity pricing. Given that North American natural gas prices have decreased during the past year, drilling activity related to natural gas wells in North America has decreased. While only a portion of our revenues are related to gas drilling activity, we are exposed to the impact that this decreased demand could have on our businesses. In particular, our Production Testing, Compressco, and Fluids segments are vulnerable to the impact of a sustained low natural gas price environment. In addition, decreases in worldwide crude oil prices during 2012 could also affect future overall industry drilling activity in certain of the regions in which we operate. If oil or gas industry activity levels decrease further in the future, our levels of operating cash flows may be negatively affected.

We are subject to operating hazards normally associated with onshore and offshore oilfield service operations, including fires, explosions, blowouts, cratering, mechanical problems, abnormally pressured formations, and accidents that cause harm to the environment. We maintain various types of insurance that are designed to be applicable in the event of an explosion or other catastrophic event involving our offshore operations. This insurance includes third-party liability, workers' compensation and employers' liability, general liability, vessel pollution liability, and operational risk coverage for our Maritech oil and gas properties, including removal of debris, operator's extra expense, control of well, and pollution and clean-up coverage. Our insurance coverage is subject to deductibles that must be satisfied prior to recovery. Additionally, our insurance is subject to certain exclusions and limitations. We believe our policy of insuring against such risks, as well as the levels of insurance we maintain, is typical in the industry. In addition, we provide services and products in the offshore Gulf of Mexico generally pursuant to agreements that create insurance and indemnity obligations for both parties. Our Maritech subsidiary maintains a formalized oil spill response plan that is submitted to the BSEE. Maritech has designated third-party contractors in place to ensure that resources are available as required in the event of an environmental accident. While it is impossible to anticipate every potential accident or incident involving our offshore operations, we believe we have taken appropriate steps to mitigate the potential impact of such an event on the environment in the regions in which we operate.

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Investing Activities

During the first six months of 2012, the total amount of our net cash utilized on investing activities was $147.4 million and included $107.5 million for the acquisitions of Optima and ERS in March 2012 and April 2012, respectively. In addition, in July 2012, we spent $55.5 million for the acquisition of the operations and assets of Greywolf. In addition to cash spent on acquisitions, total cash capital expenditures during the first six months of 2012 were $55.9 million. Approximately $13.6 million of our capital expenditures during the first six months of 2012 was spent by our Fluids Division, the majority of which related to the purchase of new equipment to support its onshore completion services business. Our Production Enhancement Division spent approximately $32.0 million of capital expenditures, consisting of approximately $18.8 million by the Production Testing segment to add or replace a portion of its production testing equipment fleet and approximately $13.2 million by the Compressco segment for the upgrade and expansion of its wellhead compressor and equipment fleet. Our Offshore Services segment spent approximately $9.3 million for costs on its various heavy lift and dive support vessels. Corporate capital expenditures were approximately $0.6 million.

Generally, a significant majority of our planned capital expenditures is related to identified opportunities to grow and expand our existing businesses (other than Maritech). However, certain of these planned expenditures may be postponed or cancelled in an effort to conserve capital. Although our planned level of capital expenditures during the remainder of 2012 is subject to the impact of acquisitions and future market conditions, we currently plan to expend up to $140 million on total capital expenditures (excluding acquisitions) during the current year. The deferral of capital projects could affect our ability to compete in the future. As reflected by our recent acquisitions of Optima, ERS, and Greywolf, our long-term growth strategy also continues to include the pursuit of suitable acquisitions or opportunities to expand operations in oil and gas service markets. To the extent we consummate an additional significant acquisition transaction or other capital project, our liquidity position and capital plans will be affected.

Financing Activities

To fund our capital and working capital requirements, we may supplement our existing cash balances and cash flow from operating activities as needed from long-term borrowings, short-term borrowings, equity issuances, and other sources of capital.

Our Bank Credit Facilities

We have a revolving credit facility with a syndicate of banks pursuant to a credit facility agreement that was most recently amended in October 2010 (the Credit Agreement). As of August 9, 2012, and following the July 2012 borrowings, we had an outstanding balance on the revolving credit facility of approximately $50.1 million, and had $8.5 million in letters of credit and guarantees against the $278 million revolving credit facility, leaving a net availability of $219.4 million. In addition, the amended credit facility agreement allows us to increase the facility by $150 million, up to a $428 million limit, with the agreement of the lenders and the satisfaction of certain conditions. Included in the approximately $50.1 million outstanding borrowings under the credit facility agreement is approximately $12.1 million equivalent denominated in euros, which has been designated as a hedge of the net investment in our European operations.

Under the Credit Agreement, which matures on October 29, 2015, the revolving credit facility is unsecured and guaranteed by certain of our material U.S. subsidiaries (excluding Compressco). Borrowings generally bear interest at the British Bankers Association LIBOR rate plus 1.5% to 2.5%, depending on one of our financial ratios. We pay a commitment fee ranging from 0.225% to 0.500% on unused portions of the facility. The Credit Agreement contains customary covenants and other restrictions, including certain financial ratio covenants based on our levels of debt and interest cost compared to a defined measure of our operating cash flows over a twelve month period. In addition, the Credit Agreement includes limitations on aggregate asset sales, individual acquisitions, and aggregate annual acquisitions and capital expenditures. Access to our revolving credit line is dependent upon our compliance with the financial ratio covenants set forth in the Credit Agreement. Significant deterioration of the financial ratios could result in a default by us under the Credit Agreement and, if not remedied, could result in termination of the agreement and acceleration of any outstanding balances. Compressco is an unrestricted subsidiary and is not a borrower or a guarantor under our bank credit facility.

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The Credit Agreement includes cross-default provisions relating to any other indebtedness greater than a defined amount. If any such indebtedness is not paid or is accelerated and such event is not remedied in a timely manner, a default will occur under the Credit Agreement. Our Credit Agreement also contains a covenant that restricts us from paying dividends in the event of a default or if such payment would result in an event of default. We are in compliance with all covenants and conditions of our Credit Agreement as of June 30, 2012. Our continuing ability to comply with these financial covenants depends largely upon our ability to generate adequate cash flow. Historically, our financial performance has been more than adequate to meet these covenants, and we expect this trend to continue.

Our European Credit Agreement

We also have a bank line of credit agreement covering the day to day working capital needs of certain of our European operations (the European Credit Agreement). The European Credit Agreement provides borrowing capacity of up to 5 million euros (approximately $6.3 million equivalent as of June 30, 2012), with interest computed on any outstanding borrowings at a rate equal to the lender’s Basis Rate plus 0.75%. The European Credit Agreement is cancellable by either party with 14 business days notice and contains standard provisions in the event of default. As of June 30, 2012, we had no borrowings outstanding pursuant to the European Credit Agreement.

Compressco Partners’ Bank Credit Facility

On June 24, 2011, Compressco Partners entered into a credit agreement (the Partnership Credit Agreement) with JPMorgan Chase Bank, N.A. Under the Partnership Credit Agreement, Compressco Partners, along with certain of its subsidiaries, are borrowers, and all of its existing and future, direct and indirect, domestic subsidiaries are guarantors. We are not a borrower or a guarantor under the Partnership Credit Agreement. The Partnership Credit Agreement includes borrowing capacity of $20.0 million (less $3.0 million that is required to be set aside as a reserve that cannot be borrowed) that is available for letters of credit (with a sublimit of $5.0 million) and an uncommitted $20.0 million expansion feature. The Partnership Credit Agreement may be used to fund Compressco Partners’ working capital needs, letters of credit, and for general partnership purposes, including capital expenditures and acquisitions. The Partnership Credit Agreement could also be used to fund Compressco Partners’ quarterly distributions. Borrowings under the Partnership Credit Agreement are subject to the satisfaction of customary conditions, including the absence of a default. As of June 30, 2012, there was no balance outstanding under the Partnership Credit Agreement. However, in July 2012, Compressco Partners borrowed $5.8 million under the Partnership Credit Agreement to fund ongoing capital expenditures to expand and upgrade its compressor and equipment fleets. The maturity date of the Partnership Credit Agreement is June 24, 2015.

All obligations under the Partnership Credit Agreement and the guarantees of those obligations are secured, subject to certain exceptions, by a first lien security interest in substantially all of the assets (excluding real property) of Compressco Partners and its existing and future, direct and indirect domestic subsidiaries, and all of the capital stock of its existing and future, direct and indirect subsidiaries (limited, in the case of foreign subsidiaries, to 65% of the capital stock of first tier foreign subsidiaries).

Borrowings under the Partnership Credit Agreement bear interest at a rate per annum equal to, at Compressco Partners’ option, either (a) LIBOR (adjusted to reflect any required bank reserves) for an interest period equal to one, two, three, or six months (as we select) plus a margin of 2.25% per annum or (b) a base rate determined by reference to the highest of (1) the prime rate of interest announced from time to time by JPMorgan Chase Bank, N.A. or (2) LIBOR (adjusted to reflect any required bank reserves) for a one-month interest period on such day plus 2.50% per annum. In addition to paying interest on any outstanding principal under the Partnership Credit Agreement, Compressco Partners is required to pay customary collateral monitoring fees and letter of credit fees, including without limitation, a letter of credit fee equal to the applicable margin on revolving credit LIBOR loans and fronting fees.

The Partnership Credit Agreement requires Compressco Partners to maintain a minimum interest coverage ratio (ratio of earnings before interest and taxes to interest) of 2.5 to 1.0 as of the last day of any fiscal quarter, calculated on a trailing four quarter basis, whenever availability is less than $5 million. In addition, the Partnership Credit Agreement includes customary negative covenants, which, among other things, limit Compressco Partners' ability to incur additional debt, incur, or permit certain liens to exist, or make certain loans, investments, acquisitions, or other restricted payments. The Partnership Credit Agreement provides that Compressco Partners can make distributions to holders of its common and subordinated units, but only if there is no default or event of default under the facility. If an event of default occurs, the lenders are entitled to take various actions, including the acceleration of amounts due under the Partnership Credit Agreement and all actions permitted to be taken by secured creditors.

Senior Notes

In April 2006, we issued $90.0 million in aggregate principal amount of Series 2006-A Senior Notes pursuant to our existing Master Note Purchase Agreement dated September 2004, as supplemented as of April 18, 2006. The Series 2006-A Senior Notes bear interest at the fixed rate of 5.90% and mature on April 30, 2016. Interest on the 2006-A Senior Notes is due semiannually on April 30 and October 30 of each year.

In April 2008, we issued, $35.0 million in aggregate principal amount of Series 2008-A Senior Notes and $90.0 million in aggregate principal amount of Series 2008-B Senior Notes (collectively the Series 2008 Senior Notes) pursuant to a Note Purchase Agreement dated April 30, 2008. The Series 2008-A Senior Notes bear interest at the fixed rate of 6.30% and mature on April 30, 2013. The Series 2008-B Senior Notes bear interest at the fixed rate of 6.56% and mature on April 30, 2015. Interest on the Series 2008 Senior Notes is due semiannually on April 30 and October 31 of each year. We anticipate funding the repayment of the Series 2008-A Senior Notes in April 2013 with available cash balances, borrowings under our revolving credit facility, or through the issuance of additional debt instruments.

In December 2010, we issued, $65.0 million in aggregate principal amount of Series 2010-A Senior Notes and $25.0 million in aggregate principal amount of Series 2010-B Senior Notes (collectively, the 2010 Senior Notes) pursuant to a Note Purchase Agreement dated September 30, 2010. The Series 2010-A Senior Notes bear interest at the fixed rate of 5.09% and mature on December 15, 2017. The Series 2010-B Senior Notes bear interest at the fixed rate of 5.67% and mature on December 15, 2020. Interest on the Series 2010 Senior Notes is due semiannually on June 15 and December 15 of each year.

Each of the Senior Notes was sold in the United States to accredited investors pursuant to an exemption from the Securities Act of 1933. We may prepay the Senior Notes, in whole or in part, at any time at a price equal to 100% of the principal amount outstanding, plus accrued and unpaid interest and a "make-whole" prepayment premium. The Senior Notes are unsecured and are guaranteed by substantially all of our wholly owned U.S. subsidiaries. The Note Purchase Agreement and the Master Note Purchase Agreement, as supplemented, contain customary covenants and restrictions and require us to maintain certain financial ratios, including a minimum level of net worth and a ratio between our long-term debt balance and a defined measure of operating cash flow over a twelve month period. The Note Purchase Agreement and the Master Note Purchase Agreement also contain customary default provisions as well as a cross-default provision relating to any other of our indebtedness of $20 million or more. We are in compliance with all covenants and conditions of the Note Purchase Agreement and the Master Note Purchase Agreement as of June 30, 2012. Upon the occurrence and during the continuation of an event of default under the Note Purchase Agreement and the Master Note Purchase Agreement, as supplemented, the Senior Notes may become immediately due and payable, either automatically or by declaration of holders of more than 50% in principal amount of the Senior Notes outstanding at the time.

Other Sources and Uses

In addition to the aforementioned revolving credit facilities, we fund our short-term liquidity requirements from cash generated by operations and from short-term vendor financing. Should additional capital be required, we believe that we have the ability to raise such capital through the issuance of additional debt or equity. However, instability or volatility in the capital markets at the times we need to access capital may affect the cost of capital and the ability to raise capital for an indeterminable length of time. As discussed above, our Credit Agreement matures in 2015, and our Senior Notes mature at various dates between April 2013 and December 2020. The replacement of these capital sources at similar or more favorable terms is not certain. If it is necessary to issue equity to fund our capital needs, dilution to our common stockholders will occur.

In November 2009, we filed a universal shelf registration statement on Form S-3 that permits us to issue an indeterminate amount of securities including common stock, preferred stock, senior and subordinated debt securities, warrants, and units. Such securities may be used for working capital needs, capital expenditures, and expenditures related to general corporate purposes, including possible future acquisitions.

Compressco Partners' Partnership Agreement requires that within 45 days after the end of each quarter, it distribute all of its available cash, as defined in the Partnership Agreement, to its unitholders of record on the applicable record date. For the six months ended June 30, 2012, net of distributions paid to us, Compressco Partners distributed approximately $2.3 million to its public unitholders.

Off Balance Sheet Arrangements

As of June 30, 2012, we had no "off balance sheet arrangements" that may have a current or future material effect on our consolidated financial condition or results of operations.

Commitments and Contingencies

Litigation

We are named defendants in several lawsuits and respondents in certain governmental proceedings arising in the ordinary course of business. While the outcome of lawsuits or other proceedings against us cannot be predicted with certainty, management does not reasonably expect these matters to have a material adverse impact on our financial position, results of operations, or liquidity.

Environmental

One of our subsidiaries, TETRA Micronutrients, Inc. (TMI), previously owned and operated a production facility located in Fairbury, Nebraska. TMI is subject to an Administrative Order on Consent issued to American Microtrace, Inc. (n/k/a/ TETRA Micronutrients, Inc.) in the proceeding styled In the Matter of American Microtrace Corporation, EPA I.D. No. NED00610550, Respondent, Docket No. VII-98-H-0016, dated September 25, 1998 (the Consent Order), with regard to the Fairbury facility. TMI is liable for future remediation costs and ongoing environmental monitoring at the Fairbury facility under the Consent Order; however, the current owner of the Fairbury facility is responsible for costs associated with the closure of that facility.

Cautionary Statement for Purposes of Forward-Looking Statements

Certain statements contained herein and elsewhere may be deemed to be forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to the "safe harbor" provisions of that act, including, without limitation, statements concerning future or expected sales, earnings, costs, expenses, acquisitions or corporate combinations, including the recent sales of oil and gas properties and the anticipated benefits to be realized from these sales, asset recoveries, expected costs associated with damage from hurricanes and the ability to recover such costs under our insurance policies, the ability to obtain alternate sources of raw materials for certain of our calcium chloride facilities, working capital, capital expenditures, financial condition, other results of operations, the expected impact of current economic and capital market conditions on the oil and gas industry and our operations, our recent acquisitions and our ability to realize the anticipated benefits from such acquisitions, other statements regarding our beliefs, plans, goals, future events and performance, and other statements that are not purely historical. Such statements involve risks and uncertainties, many of which are beyond our control. Actual results could differ materially from the expectations expressed in such forward-looking statements. Some of the risk factors that could affect our actual results and cause actual results to differ materially from any such results that might be projected, forecast, estimated, or budgeted by us in such forward-looking statements are described in our Annual Report on Form 10-K for the year ended December 31, 2011, and this Quarterly Report on Form 10-Q, and are set forth from time to time in our filings with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We will be exposed to the commodity price risk associated with Maritech's oil and natural gas production that we will continue to own until it is sold. Due to the minimal amount of expected production following the sale, such commodity price risk exposure is not expected to be significant.

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As discussed above, in July 2012, we borrowed $38.0 million and 10.0 million euros (approximately $12.1 million equivalent) pursuant to our revolving credit facility, which included funding for a portion of the consideration for the acquisition of Greywolf. Also in July 2012, Compressco Partners borrowed $5.8 million to fund the expansion and upgrade of its compressor and equipment fleet. Each of these borrowings was made under existing revolving credit facilities, and is subject to market risk exposure related to changes in applicable interest rates. Pursuant to these revolving credit facilities, borrowings will bear interest at an agreed-upon percentage rate spread above LIBOR.

We are exposed to fluctuations between the U.S. dollar and the euro with regard to our euro-denominated operating activities. As of June 30, 2012, we had no currency hedge for our euro-denominated operations. However, in July 2012, we designated the 10.0 million euro borrowing described above as a hedge for our euro-denominated operations.

Item 4. Controls and Procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2012, the end of the period covered by this quarterly report.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

We are named defendants in several lawsuits and respondents in certain governmental proceedings arising in the ordinary course of business. While the outcome of lawsuits or other proceedings against us cannot be predicted with certainty, management does not reasonably expect these matters to have a material adverse impact on our financial position, results of operations, or liquidity.

Environmental Proceedings

One of our subsidiaries, TETRA Micronutrients, Inc. (TMI), previously owned and operated a production facility located in Fairbury, Nebraska. TMI is subject to an Administrative Order on Consent issued to American Microtrace, Inc. (n/k/a/ TETRA Micronutrients, Inc.) in the proceeding styled In the Matter of American Microtrace Corporation, EPA I.D. No. NED00610550, Respondent, Docket No. VII-98-H-0016, dated September 25, 1998 (the Consent Order), with regard to the Fairbury facility. TMI is liable for future remediation costs and ongoing environmental monitoring at the Fairbury facility under the Consent Order; however, the current owner of the Fairbury facility is responsible for costs associated with the closure of that facility.

Item 1A. Risk Factors.

There have been no material changes in the information pertaining to our Risk Factors as disclosed in our Form 10-K for the year ended December 31, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) None.

(b) None.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Publicly Announced Plans or Programs(1)
Apr 1 - Apr 30, 2012	140	(2)	$ 9.06	-	$ 14,327,000
May 1 - May 31, 2012	14,279	(2)	6.81	-	14,327,000
Jun 1 - Jun 30, 2012	751	(2)	7.13	-	14,327,000
Total	15,170			-	$ 14,327,000

(1) In January 2004, our Board of Directors authorized the repurchase of up to $20 million of our common stock. Purchases will be made from time to time in open market transactions at prevailing market prices. The repurchase

program may continue until the authorized limit is reached, at which time the Board of Directors may review the option of increasing the authorized limit.

(2) Shares we received in connection with the exercise of certain employee stock options or the vesting of certain employee restricted stock. These shares were not acquired pursuant to the stock repurchase program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibits:

31.1*	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification Furnished Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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101.INS+	XBRL Instance Document.
101.SCH+	XBRL Taxonomy Extension Schema Document.
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.

* Filed with this report.
** Furnished with this report.
+ Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Operations for the three and six months ended June 30, 2012 and 2011; (ii) Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2012 and 2011; (iii) Consolidated Balance Sheets as of June 30, 2012 and December 31, 2011; (iv) Consolidated Statements of Cash Flows for the six months ended June 30, 2012 and 2011; and (v) Notes to Consolidated Financial Statements for the six months ended June 30, 2012.

A statement of computation of per share earnings is included in Note A of the Notes to Consolidated Financial Statements included in this report and is incorporated by reference into Part II of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TETRA Technologies, Inc.

Date: August 9, 2012	By:/s/Stuart M. Brightman Stuart M. Brightman President Chief Executive Officer
Date: August 9, 2012	By:/s/Elijio V. Serrano Elijio V. Serrano Senior Vice President Chief Financial Officer
Date: August 9, 2012	By:/s/Ben C. Chambers Ben C. Chambers Vice President – Accounting Principal Accounting Officer

EXHIBIT INDEX

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101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.

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* Filed with this report.

** Furnished with this report.

\+ Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Operations for the three and six months ended June 30, 2012 and 2011; (ii) Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2012 and 2011; (iii) Consolidated Balance Sheets as of June 30, 2012 and December 31, 2011; (iv) Consolidated Statements of Cash Flows for the six months ended June 30, 2012 and 2011; and (v) Notes to Consolidated Financial Statements for the six months ended June 30, 2012.