

TRI VALLEY CORP
Form 10-Q/A
November 17, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2010

Commission File No. 001-31852

TRI-VALLEY CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

94-1585250
(I.R.S. Employer Identification Number)

4550 California Avenue, Suite 600, Bakersfield, California 93309
(Address of Principal Executive Offices)

Registrant's Telephone Number Including Area Code: (661) 864-0500

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of July 28, 2010, the Registrant had 37,350,504 shares of common stock (\$0.001 par value) outstanding.

EXPLANATORY NOTE

This Quarterly Report on Form 10-Q/A amends the quarterly report on Form 10-Q for the period ended June 30, 2010, originally filed by Tri-Valley Corporation (“Company”) with the Securities and Exchange Commission (“SEC”) on August 2, 2010. The following items have been amended:

PART I—Item 1. Consolidated Financial Statements

PART I—Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

PART I—Item 4. Controls and Procedures

PART II—Item 6 Exhibits

As disclosed in a Current Report on Form 8-K the Company filed with the SEC on October 24, 2011, the Company determined on October 18, 2011 that the Company’s previously filed financial statements for: (i) the fiscal quarter ended June 30, 2010 included in the Form 10-Q filed with the SEC on August 2, 2010, (ii) the fiscal quarter ended September 30, 2010 included in the Form 10-Q filed with the SEC on November 3, 2010, (iii) the fiscal year ended December 31, 2010 included in the Form 10-K filed with the SEC on March 22, 2011, (iv) the fiscal quarter ended March 31, 2011 included in the Form 10-Q filed with the SEC on May 9, 2011 and (v) the fiscal quarter ended June 30, 2011 included in the Form 10-Q filed with the SEC on August 19, 2011, needed to be restated to correct the valuation of, and accounting for, the common stock and warrants issued by the Company in a registered direct offering of securities in April 2010, the accounting for incremental and direct costs incurred to issue common stock and the acquisition of assets from the TVC OPUS 1 Drilling Program, L.P. as further discussed below.

The Company performed a re-assessment of the valuation of common stock and warrants issued in connection with its April 2010 registered direct offering (see Part I, Item 1. Financial Statements, Note 5 – Common Stock and Warrants) and concluded that the values assigned to the common stock and warrants issued were overstated by \$6.5 million. The net proceeds from the registered direct offering of \$4.6 million (\$5.0 million gross proceeds less \$0.4 million of stock issuance costs) should have been allocated to the common stock and each series of warrants issued based upon their relative values at the time of issuance. This decrease in the recorded values of the common stock and warrants resulted in a decrease of \$3.2 million in charges made to the results of operations for the three-month period ended June 30, 2010 (i.e. a decrease in Warrant Expense of \$2.8 million and a decrease in General and Administrative expense of \$0.4 million).

The Company performed a re-assessment of its accounting for the Series A, B and C warrants issued in connection with its April 2010 registered direct offering and concluded that the Series A and B Warrants were within the scope of Accounting Standards Codification 815-40, “Derivatives and Hedging – Contracts in Entity’s Own Equity” (“ASC 815-40”), formerly Emerging Issues Task Force Issue No. 07-05, “Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity’s Own Stock”. ASC 815-40 states, among other things, that contingent and other adjustment features in equity-linked financial instruments are consistent with equity indexation if they are based on variables that would be inputs to a “plain vanilla” option or forward pricing model and they do not increase the settlement amount or the contract’s exposure to those variables. The Company’s Series A and B warrants issued in April 2010 are initially linked to the Company’s own equity shares (i.e. exercise prices of \$1.50 per share and \$2.15 per share, respectively); however, the Series A and B warrant holders have protective pricing features, whereby the conversion price reset to the price per share received by the Company if the Company subsequently issued common stock at a price per share less than the \$1.30 per share paid by the investors in connection with the April 2010 registered direct offering. Resetting the conversion price based on a price per share received from other sales of common stock is not an input to an option pricing model and thus the fair value of the Series A and B warrants are not linked to the Company’s common stock. Accordingly, the Series A and B warrants should have been accounted for as

derivative financial liabilities, measured at a fair value of \$0.9 million at the date of issuance, with changes in fair value recognized as a gain or loss for each reporting period thereafter. The Company recognized \$1.2 million of losses on these derivative instruments for the three-month period ended June 30, 2010. The Series C warrants do not have similar protective pricing features that are not linked to the Company's common stock and were appropriately accounted for in equity as originally reported.

The Company issued warrants to certain former executives in connection with their retirement agreements as further detailed in Part I, Item 1. Financial Statements, Note 6 – Stock-Based Compensation. The Company charged the fair market value on the date of issuance of these warrants to Warrant Expense in the Consolidated Statement of Operations for the six-month period ended June 30, 2010. The \$1.2 million previously reported as Warrant Expense associated with these warrants has been reclassified to Stock-Based Compensation in the results of operations for the six-month period ended June 30, 2010 as part of the amendments in this Form 10-Q/A.

The Company performed an analysis of equipment in service on its Claflin property. It was determined that a steam generator with a fair value of \$0.6 million was acquired from the TVC OPUS 1 Drilling Program, L.P. in the second quarter of 2010 which had not been recognized in the Company's consolidated financial statements. The correction of this acquisition of equipment is included as part of the amendments in this form 10-Q/A.

The following tables show the effects of the restatement on the Company's Condensed Consolidated Balance Sheet as of June 30, 2010 and Condensed Consolidated Statement of Operations and Condensed Consolidated Statement of Cash Flows for the six-month period ended June 30, 2010:

| CONDENSED CONSOLIDATED BALANCE SHEET | As of June 30, 2010 | |
|---|--|--------------|
| | As | |
| | Previously Reported | As Restated |
| Current Assets | | |
| Accounts Receivable from Joint Venture Partners - Net | 646,314 | 83,814 |
| Total Current Assets | 3,861,214 | 3,298,714 |
| Property and Equipment - Net | | |
| Other Property and Equipment | 4,472,761 | 5,035,261 |
| Non-Current Liabilities | | |
| Derivative Financial Instruments | - | 2,141,245 |
| Total Non-Current Liabilities | 1,664,988 | 3,806,233 |
| Total Liabilities | 7,151,765 | 9,293,010 |
| Stockholders' Equity | | |
| Capital in Excess of Par Value | 56,977,612 | 54,629,849 |
| Warrants (previously reported as Additional Paid in Capital - Warrants) | 4,017,703 | 2,208,835 |
| Accumulated Deficit | (58,864,996) | (56,849,610) |
| Total Stockholders' Equity | 4,596,217 | 2,454,972 |
| CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS | For the Six Months Ended June 30, 2010 | |
| | As | |
| | Previously Reported | As Restated |
| Costs and Expenses | | |
| General and Administrative | 3,803,308 | 3,429,809 |
| Warrant Expense | 4,017,703 | - |
| Derivative Instruments Loss | - | 1,213,567 |
| Stock-Based Compensation (previously reported as Stock Option Expense) | 51,690 | 1,213,939 |
| Total Costs and Expenses | 9,019,796 | 7,004,410 |
| Loss Before Minority Interest | (6,407,331) | (4,391,945) |
| Net Loss | (6,407,331) | (4,391,945) |
| Basic Loss Per Common Share | \$(0.18) | \$(0.13) |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended
June 30, 2010

| | As | |
|---|------------------------|-------------|
| | Previously Reported | As Restated |
| Cash Flows from Operating Activities | | |
| Net Loss | (6,407,331) | (4,391,945) |
| Stock-Based Compensation (previously reported as Stock Options) | 51,690 | 1,213,939 |
| Warrant Expense | 4,017,703 | - |
| Unrealized Loss on Derivative Instruments | - | 1,213,567 |
| Net Cash Provided/(Used) by Operating Activities | (6,078,988) | (5,705,489) |
| Cash Flows from Operating Activities | | |
| Capital Expenditures | (809,476) | (1,371,976) |
| Decrease in Accounts Receivable from Joint Venture Partners | - | 562,500 |
| Cash Flows from Financing Activities | | |
| Principal Payments on Long-Term Debt | (147,424) | (161,920) |
| Net Proceeds from the Issuance of Common Stock | 5,414,945 | 5,041,446 |
| Net Cash Provided/(Used) by Financing Activities | 5,244,721 | 4,856,726 |

Except as described above, no other amendments are being made to the disclosures presented in the original Form 10-Q. This amended Form 10-Q/A does not reflect events occurring after the filing of the original Form 10-Q, or modify or update the disclosures contained therein in any other way other than as required to reflect the amendments discussed above. Information not affected by the restatement is unchanged and reflects the disclosures made at the time of the original filing of the Form 10-Q with the SEC on August 2, 2010.

TRI-VALLEY CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

TRI-VALLEY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

| | June 30, 2010 (Restated) | December 31, 2009 |
|---|--------------------------------|-------------------------|
| Current Assets | | |
| Cash | \$1,692,028 | \$290,926 |
| Accounts Receivable TVOG Production Accrual | 890,505 | 33,623 |
| Accounts Receivable - Trade | 44,391 | 63,151 |
| Prepaid Expenses | 473,458 | 16,889 |
| Accounts Receivable from Joint Venture Partners - Net | 83,814 | 1,432,785 |
| Accounts Receivable - Other | 114,518 | 25,717 |
| Total Current Assets | 3,298,714 | 1,863,091 |
| Property and Equipment - Net | | |
| Proved Properties | 25,265 | 25,265 |
| Unproved Properties | 1,693,296 | 1,551,998 |
| Rig | 1,093,829 | 1,132,847 |
| Other Property and Equipment | 5,035,261 | 5,470,295 |
| Total Property and Equipment - Net | 7,847,651 | 8,180,405 |
| Other Assets | | |
| Deposits | 365,919 | 172,913 |
| Investments in Joint Venture Partnerships | 23,284 | 17,400 |
| Goodwill | 212,414 | 212,414 |
| Other | - | 13,800 |
| Total Other Assets | 601,617 | 416,527 |
| Total Assets | \$11,747,982 | \$10,460,023 |

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

TRI-VALLEY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

| | June 30, 2010 (Restated) | December 31, 2009 |
|---|--------------------------------|-------------------------|
| Current Liabilities | | |
| Notes Payable | \$389,142 | \$439,482 |
| Trade - Accounts Payable and Accrued Expenses | 4,247,635 | 5,962,774 |
| Non-Trade Accounts Payable | 850,000 | 850,000 |
| Total Current Liabilities | 5,486,777 | 7,252,256 |
| Non-Current Liabilities | | |
| Asset Retirement Obligation | 366,423 | 351,013 |
| Long-Term Portion of Notes Payable | 1,298,565 | 1,395,649 |
| Derivative Financial Instruments | 2,141,245 | - |
| Total Non-Current Liabilities | 3,806,233 | 1,746,662 |
| Total Liabilities | 9,293,010 | 8,998,918 |
| Stockholders' Equity | | |
| Common Stock, \$.001 par value; 100,000,000 shares authorized; 37,350,504* and 33,190,462 at June 30, 2010 and December 31, 2009, respectively. | 37,351 | 33,190 |
| Less: Common Stock in Treasury, at cost; 120,025 shares | (38,370) | (13,370) |
| Capital in Excess of Par Value | 54,629,849 | 51,469,228 |
| Warrants | 2,208,835 | - |
| Additional Paid in Capital - Stock Options | 2,466,917 | 2,429,722 |
| Accumulated Deficit | (56,849,610) | (52,457,665) |
| Total Stockholders' Equity | 2,454,972 | 1,461,105 |
| Total Liabilities and Stockholders' Equity | \$11,747,982 | \$10,460,023 |

* As of June 30, 2010, the Company had received subscriptions to purchase an additional 94,790 shares, which had not been accepted because required subscription documents had not been received from the subscribers, and the necessary stock exchange approval has not been received.

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

TRI-VALLEY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | For the Three Months | | For the Six Months Ended | |
|--|-----------------------|-----------------------|--------------------------|-----------------------|
| | Ended June 30, | | June 30, | |
| | 2010 | 2009 | 2010 | 2009 |
| | (Restated) | | (Restated) | |
| Revenues | | | | |
| Sale of Oil and Gas | \$465,216 | \$311,097 | \$920,989 | \$617,693 |
| Gain on Sale of Asset | 1,082,693 | - | 1,673,492 | - |
| Partnership Income | 7,810 | - | 7,810 | 30,033 |
| Other Income | - | 193,304 | 8,155 | 205,808 |
| Interest Income | 904 | 5,312 | 2,019 | 15,950 |
| Total Revenues | \$1,556,623 | \$509,713 | \$2,612,465 | \$869,484 |
| Costs and Expenses | | | | |
| Production Costs | \$247,177 | \$632,946 | \$532,554 | \$1,058,846 |
| Mining Exploration Expenses | 85,561 | 48,695 | 224,389 | 117,152 |
| Depletion, Depreciation and Amortization | 168,904 | 445,370 | 334,292 | 895,562 |
| Bad Debt Expense | - | - | - | 53,980 |
| Interest Expense | 33,250 | 63,590 | 55,860 | 97,746 |
| General and Administrative | 1,974,457 | 1,533,232 | 3,429,809 | 3,942,728 |
| Derivative Instruments Loss | 1,213,567 | - | 1,213,567 | - |
| Stock-Based Compensation | 24,278 | - | 1,213,939 | - |
| Total Costs and Expenses | \$3,747,194 | \$2,723,833 | \$7,004,410 | \$6,166,014 |
| Loss Before Minority Interest | \$(2,190,571) | \$(2,214,120) | \$(4,391,945) | \$(5,296,530) |
| Minority Interest | - | (24,831) | - | (53,402) |
| Net Loss | \$(2,190,571) | \$(2,189,289) | \$(4,391,945) | \$(5,243,128) |
| Basic Net Loss Per Share: | | | | |
| Loss from Operations | \$(0.06) | \$(0.08) | \$(0.13) | \$(0.19) |
| Basic Loss Per Common Share | \$(0.06) | \$(0.08) | \$(0.13) | \$(0.19) |
| Weighted Average Number of Shares Outstanding | 36,902,102 | 27,614,867 | 35,039,904 | 27,536,111 |
| Weighted Potentially Dilutive Shares Outstanding | 40,851,924 | 30,100,334 | 36,550,615 | 30,112,944 |

No dilution is reported since Net Income is a loss per ASC 260

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

TRI-VALLEY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the Six Months Ended June 30, | |
|---|--------------------------------------|---------------|
| | 2010 | 2009 |
| | (Restated) | |
| Cash Flows from Operating Activities | | |
| Net Loss | \$(4,391,945) | \$(5,243,128) |
| Adjustments to Reconcile Net (Loss) to Net Cash Provided/(Used) by Operating Activities | | |
| Depreciation, Depletion and Amortization | 334,292 | 895,562 |
| Minority Interest | - | (53,403) |
| Unrealized Loss on Derivative Instruments | 1,213,567 | - |
| Stock-Based Compensation | 1,213,939 | 272,233 |
| (Gain) or Loss on Sale of Property | (1,673,492) | - |
| Bad Debt Expense | - | 53,980 |
| Director Compensation | 95,400 | - |
| Changes in Operating Capital | | |
| (Increase) or Decrease in Total Accounts Receivable | (926,923) | 769,469 |
| (Increase) or Decrease in Total Other Assets | (641,659) | (308,087) |
| Increase or (Decrease) in Accounts Payable, Deferred Revenue and Accrued Expenses | (1,715,139) | 2,170,039 |
| Increase or (Decrease) in Accounts Payable to Joint Venture Partners and Related Parties | (5,072,307) | (912,173) |
| (Increase) or Decrease in Accounts Receivable from Joint Venture Partners | 5,858,778 | 3,981,822 |
| Net Cash Provided/(Used) by Operating Activities | \$(5,705,489) | \$1,626,314 |
| Cash Flows from Investing Activities | | |
| Proceeds from the Sale of Property | 3,059,341 | - |
| Capital Expenditures | (1,371,976) | (465,096) |
| Decrease in Accounts Payable to Joint Venture Partners | 562,500 | - |
| Net Cash Provided/(Used) by Investing Activities | \$2,249,865 | \$(465,096) |
| Cash Flows from Financing Activities | | |
| Principal Payments on Long-Term Debt | (161,920) | (119,599) |
| Net Proceeds from the Issuance of Stock Options | 2,200 | - |
| Net Proceeds from the Issuance of Common Stock | 5,041,446 | 19,301 |
| Sale or (Purchase) of Treasury Stock | (25,000) | - |
| Net Cash Provided/(Used) by Financing Activities | \$4,856,726 | \$(100,298) |
| Net Increase or (Decrease) in Cash and Cash Equivalents | 1,401,102 | 1,060,920 |
| Cash and Cash Equivalents at Beginning of Period | 290,926 | 2,000,787 |
| Cash and Cash Equivalents at End of Period | \$1,692,028 | \$3,061,707 |

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

TRI-VALLEY CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
June 30, 2010, and 2009
(Unaudited)

NOTE 1 - DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

DESCRIPTION OF BUSINESS

Tri-Valley Corporation (“Tri-Valley”, “TVC”, or “the Company”) is a Delaware corporation which currently conducts its operations through five wholly-owned subsidiaries. TVC’s principal offices are located at 4550 California Avenue, Suite 600, Bakersfield, California 93309; telephone (661) 864-0500.

The Company's five subsidiaries are:

Tri-Valley Oil & Gas Co. (“TVOG”) — conducts our hydrocarbon (crude oil and natural gas) business. TVOG derives its revenue from oil and natural gas production.

Select Resources Corporation, Inc. (“Select”) — holds and maintains our precious metals and industrial minerals business. Select holds and develops three major mineral assets in the State of Alaska.

Great Valley Production Services, LLC (“GVPS”) — conducts our oil production services, well workover services, and the business of refurbishment of oilfield equipment.

Great Valley Drilling Company, LLC (“GVDC”) — formed to own and operate a geothermal and oil drilling rig in the State of Nevada.

Tri-Valley Power Corporation — is inactive at the present time.

Tri-Valley's businesses are organized into four operating segments:

Oil and Gas Operations — This segment represents our oil and gas business. During the first six months of 2010, this segment generated virtually all of the Company’s revenues from operations.

Rig Operations — This segment consists of drilling rig operations.

Minerals — This segment represents our precious metal and industrial mineral prospects. In the past, it has generated revenues from pilot-scale mining projects and subcontracting exploration and business development projects. This segment holds title to land or leases in the State of Alaska.

Drilling and Development — This segment includes revenue received from crude oil and natural gas drilling and development operations performed for joint venture partners.

BASIS OF PRESENTATION

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for a fair statement of

results for the interim periods. The results of operations for the six-month period ended June 30, 2010, are not necessarily indicative of the results to be expected for the full year.

NOTE 1 - DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION (Continued)

The accompanying condensed consolidated financial statements do not include footnotes and certain financial presentations normally required under generally accepted accounting principles in the United States of America; and, therefore, should be read in conjunction with our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on March 29, 2010, for the year ended December 31, 2009.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, TVOG, Select, GVPS, GVDC, and Tri-Valley Power Corporation. Other partnerships in which the Company has an operating or nonoperating interest, but in which the Company is not the primary beneficiary and owns less than 51%, are proportionately combined. These include the TVC OPUS 1 Drilling Program, L.P., Martins-Severin, Martins-Severin Deep, and Tri-Valley Exploration 1971-1 Partnership. All material intercompany accounts and transactions have been eliminated in combination and consolidation.

Reclassification

Certain reclassifications have been made to the prior year financial statements to be in conformity with fiscal year 2010 presentation. Those reclassifications consisted of netting Accounts Receivable from Joint Venture Partners in Current Assets against Accounts Payable to Joint Venture Partners in Current Liabilities. At June 30, 2010, the Company had net Accounts Receivable from Joint Venture Partners.

In the Company's Consolidated Statement of Operations, Revenues from the Sale of Oil and Gas for the second quarters of 2010 and 2009, as well as, the first halves of both years, are reflected net of the diluent used to reduce the viscosity of our crude oil and increase the API gravity of the resulting blend, as per industry practice. Likewise, Production Costs for the same periods have been stated net of the cost of the purchased diluent and associated transportation costs.

Finally, in Note 7 – Financial Information Relating to Industry Segments, we have eliminated a Non-Segmented Items allocation of Total Assets at June 30, 2010, and December 31, 2009.

NOTE 2 – RESTATEMENT

As disclosed in a Current Report on Form 8-K the Company filed with the SEC on October 24, 2011, the Company's Audit Committee determined on October 16, 2011 that the Company's previously filed financial statements for: (i) the fiscal quarter ended June 30, 2010 included in the Form 10-Q filed with the SEC on August 2, 2010, (ii) the fiscal quarter ended September 30, 2010 included in the Form 10-Q filed with the SEC on November 3, 2010, (iii) the fiscal year ended December 31, 2010 included in the Form 10-K filed with the SEC on March 22, 2011, (iv) the fiscal quarter ended March 31, 2011 included in the Form 10-Q filed with the SEC on May 9, 2011 and (v) the fiscal quarter ended June 30, 2011 included in the Form 10-Q filed with the SEC on August 19, 2011, needed to be restated to correct the valuation of, and accounting for, the common stock and warrants issued by the Company in a registered direct offering of securities transaction in April 2010 and the accounting for incremental and direct costs incurred to issue common stock as further discussed below.

The Company performed a re-assessment of the valuation of common stock and warrants issued in connection with its April 2010 registered direct offering (see Part I, Item 1. Financial Statements, Note 5 – Common Stock and Warrants) and concluded that the values assigned to the common stock and warrants issued were overstated by \$6.5 million. The net proceeds from the registered direct offering of \$4.6 million (\$5.0 million gross proceeds less \$0.4 million of stock

issuance costs) should have been allocated to the common stock and each series of warrants issued based upon their relative values at the time of issuance. This decrease in the recorded values of the common stock and warrants resulted in a decrease of \$3.2 million in charges made to the results of operations for the three-month period ended June 30, 2010 (i.e. a decrease in Warrant Expense of \$2.8 million and a decrease in General and Administrative expense of \$0.4 million).

NOTE 2 – RESTATEMENT (Continued)

The Company performed a re-assessment of its accounting for the Series A, B and C warrants issued in connection with its April 2010 registered direct offering and concluded that the Series A and B Warrants were within the scope of Accounting Standards Codification 815-40, “Derivatives and Hedging – Contracts in Entity’s Own Equity” (“ASC 815-40”), formerly Emerging Issues Task Force Issue No. 07-05, “Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity’s Own Stock”. ASC 815-40 states, among other things, that contingent and other adjustment features in equity-linked financial instruments are consistent with equity indexation if they are based on variables that would be inputs to a "plain vanilla" option or forward pricing model and they do not increase the settlement amount or the contract's exposure to those variables. The Company's Series A and B warrants issued in April 2010 are initially linked to the Company's own equity shares (i.e. exercise prices of \$1.50 per share and \$2.15 per share, respectively); however, the Series A and B warrant holders have protective pricing features, whereby the conversion price reset to the price per share received by the Company if the Company subsequently issued common stock at a price per share less than the \$1.30 per share paid by the investors in connection with the April 2010 registered direct offering. Resetting the conversion price based on a price per share received from other sales of common stock is not an input to an option pricing model and thus the fair value of the Series A and B warrants are not linked to the Company’s common stock. Accordingly, the Series A and B warrants should have been accounted for as derivative financial liabilities, measured at a fair value of \$0.9 million at the date of issuance, with changes in fair value recognized as a gain or loss for each reporting period thereafter. The Company recognized \$1.2 million of losses on these derivatives for the three-month period ended June 30, 2010. The Series C warrants do not have similar protective pricing features that are not linked to the Company’s common stock and were appropriately accounted for in equity as originally reported.

The Company issued warrants to certain former executives in connection with their retirement agreements as further detailed in Part I, Item 1. Financial Statements, Note 6 – Stock Based Compensation. The Company charged the fair market value on the date of issuance of these warrants to Warrant Expense in the Consolidated Statement of Operations for the six-month period ended June 30, 2010. The \$1.2 million previously reported as Warrant Expense associated with these warrants has been reclassified to Stock-Based Compensation in the results of operations for the six-month period ended June 30, 2010 as part of the amendments in this Form 10-Q/A.

The Company performed an analysis of equipment in service on its Claflin property. It was determined that a steam generator with a fair value of \$0.6 million was acquired from the TVC OPUS 1 Drilling Program, L.P. in the second quarter of 2010 which had not been recognized in the Company’s consolidated financial statements. The correction of this acquisition of equipment is included as part of the amendments in this form 10-Q/A.

The following tables show the effects of the restatement on the Company’s Condensed Consolidated Balance Sheet as of June 30, 2010 and Condensed Consolidated Statement of Operations and Condensed Consolidated Statement of Cash Flows for the six-month period ended June 30, 2010:

| CONDENSED CONSOLIDATED BALANCE SHEET | As of June 30, 2010 | |
|---|------------------------------|-------------|
| | As Previously Reported | As Restated |
| Current Assets | | |
| Accounts Receivable from Joint Venture Partners - Net | 646,314 | 83,814 |
| Total Current Assets | 3,861,214 | 3,298,714 |
| Property and Equipment - Net | | |
| Other Property and Equipment | 4,472,761 | 5,035,261 |
| Non-Current Liabilities | | |

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| | | |
|---|--------------|--------------|
| Derivative Financial Instruments | - | 2,141,245 |
| Total Non-Current Liabilities | 1,664,988 | 3,806,233 |
| Total Liabilities | 7,151,765 | 9,293,010 |
| Stockholders' Equity | | |
| Capital in Excess of Par Value | 56,977,612 | 54,629,849 |
| Warrants (previously reported as Additional Paid in Capital - Warrants) | 4,017,703 | 2,208,835 |
| Accumulated Deficit | (58,864,996) | (56,849,610) |
| Total Stockholders' Equity | 4,596,217 | 2,454,972 |

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NOTE 2 – RESTATEMENT (Continued)

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

| | For the Six Months Ended June 30, 2010 | |
|--|---|-------------|
| | As | |
| | Previously Reported | As Restated |
| Costs and Expenses | | |
| General and Administrative | 3,803,308 | 3,429,809 |
| Warrant Expense | 4,017,703 | - |
| Derivative Instruments Loss | - | 1,213,567 |
| Stock-Based Compensation (previously reported as Stock Option Expense) | 51,690 | 1,213,939 |
| Total Costs and Expenses | 9,019,796 | 7,004,410 |
| Loss Before Minority Interest | (6,407,331) | (4,391,945) |
| Net Loss | (6,407,331) | (4,391,945) |
| Basic Loss Per Common Share | \$(0.18) | \$(0.13) |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | For the Six Months Ended June 30, 2010 | |
|---|---|-------------|
| | As | |
| | Previously Reported | As Restated |
| Cash Flows from Operating Activities | | |
| Net Loss | (6,407,331) | (4,391,945) |
| Stock-Based Compensation (previously reported as Stock Options) | 51,690 | 1,213,939 |
| Warrant Expense | 4,017,703 | - |
| Unrealized Loss on Derivative Instruments | - | 1,213,567 |
| Net Cash Provided/(Used) by Operating Activities | (6,078,988) | (5,705,489) |
| Cash Flows from Investing Activities | | |
| Capital Expenditures | (809,476) | (1,371,976) |
| Decrease in Accounts Receivable from Joint Venture Partners | - | 562,500 |
| Cash Flows from Financing Activities | | |
| Principal Payments on Long-Term Debt | (147,424) | (161,920) |
| Net Proceeds from the Issuance of Common Stock | 5,414,945 | 5,041,446 |
| Net Cash Provided/(Used) by Financing Activities | 5,244,721 | 4,856,726 |

NOTE 3 – PER SHARE COMPUTATIONS

Per share computations are based upon the weighted-average number of common shares outstanding during each period reported. As there were net losses at June 30, 2010, and 2009, common stock equivalents are not included in the computations, as their inclusion would be anti-dilutive.

NOTE 4 – SUMMARY OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-03, “Oil and Gas Reserve Estimation and Disclosures.” This ASU amends the FASB’s Accounting Standards Codification (“ASC”) Topic 932, “Extractive Activities-Oil and Gas” to align the accounting requirements of Topic 932 with the U.S. Securities and Exchange Commission’s final rule, “Modernization of the Oil and Gas Reporting Requirements” issued on December 31, 2008. In summary, the revisions in ASU 2010-03 modernize the disclosure rules to better align with current industry practices and expand the disclosure requirements for equity method investments so that more useful information is provided. More specifically, the main provisions include the following:

An expanded definition of oil and gas producing activities to include nontraditional resources such as bitumen extracted from oil sands.

The use of an average of the first-day-of-the-month price for the 12-month period, rather than a year-end price for determining whether reserves can be produced economically.

Amended definitions of key terms such as “reliable technology” and “reasonable certainty” which are used in estimating proved oil and gas reserve quantities.

A requirement for disclosing separate information about reserve quantities and financial statement amounts for geographical areas representing 15 percent or more of proved reserves.

Clarification that an entity’s equity investments must be considered in determining whether it has significant oil and gas activities and a requirement to disclose equity method investments in the same level of detail as required for consolidated investments.

This ASU is effective for annual reporting periods ended on or after December 31, 2009, and it requires (1) the effect of the adoption to be included within each of the dollar amounts and quantities disclosed, (2) qualitative and quantitative disclosure of the estimated effect of adoption on each of the dollar amounts and quantities disclosed, if significant and practical to estimate and (3) the effect of adoption on the financial statements, if significant and practical to estimate. Adoption of these requirements did significantly impact our reported reserves.

NOTE 5 – COMMON STOCK AND WARRANTS

Common Stock

During the second quarter of 2010, 2,000 shares were issued to a former employee for stock options exercised and 30,000 shares of common stock were issued to our current six independent directors for services rendered in 2010. 3,846,157 shares were issued to six institutional investors in a registered direct offering at \$1.30 per share for a total of \$4.6 million in net proceeds. Also during the second quarter of 2010, we rescinded a stock subscription for 20,000 shares and refunded a total of \$25,000. As of June 30, 2010, the Company had received subscriptions to purchase an additional 94,790 shares, which had not been accepted because required subscription documents had not been received from the subscribers, and the necessary stock exchange approval has not been received. Stock issuance cost for the second quarter of 2010 was \$0.4 million.

Warrants

On April 6, 2010, the Company executed a Securities Purchase Agreement with a group of institutional investors to purchase \$5.0 million of the Company’s common stock and warrants in a registered direct offering of securities. Roth Capital Partners, LLC, acted as financial advisor to the Company in this transaction. For additional information regarding the transaction, please refer to our Forms 8-K/A and 8-K, Section 1 – Registrant’s Business and Operations, Item 1.01 Entry into a Material Definitive Agreement, filed with the U.S. Securities and Exchange Commission on

April 7, 2010, and April 6, 2010, respectively.

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NOTE 5 – COMMON STOCK AND WARRANTS (continued)

The registered direct offering of securities closed on April 8, 2010. Under the terms of the definitive agreements, the investors purchased 3,846,157 shares of Tri-Valley's common stock at \$1.30 per share, for a total of \$5.0 million in gross proceeds (\$4.6 million net proceeds after share issuance costs), and received warrants to purchase up to 2,307,696 shares (the "Warrants") in the aggregate. The Warrants included Series A Warrants to purchase up to 1,153,848 shares of common stock at \$1.50 per share for five years and Series B Warrants to purchase up to 1,153,848 shares of common stock at \$2.14 per share for seven years. Subject to certain limitations, the Company was also obligated to issue to the investors Series C Warrants for the purchase of up to 2,403,846 additional shares pursuant to certain purchase price adjustments on July 2, 2010, and on December 1, 2010, that might occur, dependent upon the then current price of the Company's common stock in relation to the original issue price. All of such Warrants contained customary adjustments for corporate events such as reorganizations, splits, dividends. The exercise prices of the Series A and B Warrants were subject to anti-dilution adjustments in the event of additional issuances of common stock below the exercise price then in effect. As mentioned in Part I, Item 1. Financial Statements, Note 2 – Restatement, the Series A and B Warrants are considered to be derivative financial liabilities and the Series C Warrants are considered to be an equity instrument in accordance with ASC 815-40.

The Warrants were valued on the date of issuance with the Black-Scholes option-pricing model using a risk-free interest rate of 2.7% to 3.4%, a volatility factor of 148%, a dividend yield of 0%, a term of five to seven years and at a current price of the underlying common shares of \$1.32 per share. The 3,846,157 shares of common stock were valued at the volume weighted average closing price per share for the five trading days immediately prior to the effective date of the Securities Purchase Agreement. The net proceeds of the transaction were allocated to each series of Warrants and to the common stock issued based on their respective fair values which resulted in credits to Warrants of \$1.0 million for the net proceeds allocated to the Series C Warrants, Derivative Financial Instruments of \$0.9 million for the net proceeds allocated to the Series A and B Warrants and Capital in Excess of Par Value of \$2.7 million for the net proceeds allocated to the common shares.

For the second quarter of 2010, the Company recognized \$1.2 million of derivative instrument losses related to the changes in fair values of the Series A and B Warrants. The changes in fair values of the Series A and B Warrants were calculated with the Black-Scholes option-pricing model using a risk-free rate of 2.0% to 2.7%, a volatility factor of 151%, a dividend yield of 0%, a term of 4.75 to 6.75 years and at a current price of underlying common shares of \$1.02 per share.

NOTE 6 - STOCK-BASED COMPENSATION

For the six-month period ended June 30, 2010, the Company issued warrants to a former executive in connection with a retirement agreement. The Company charged the fair market value on the date of issuance of these warrants to Warrant Expense in the results of operations. The \$1.2 million previously reported as Warrant Expense associated with these warrants has been reclassified to Stock-Based Compensation as part of the amendments in this Form 10-Q/A.

For further information regarding Stock-Based Compensation Expense, please refer to Note 2 of the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2009.

NOTE 7 - FINANCIAL INFORMATION RELATING TO INDUSTRY SEGMENTS

The Company reports operating segments according to ASC 280, "Disclosure about Segments of an Enterprise and Related Information."

The Company identifies four principal, operating industry segments as described in Note 1 – Description of Business and Basis of Presentation, page 6.

NOTE 7 - FINANCIAL INFORMATION RELATING TO INDUSTRY SEGMENTS (Continued)

The following table sets forth our Revenues by operating segment for the second quarters ended June 30, 2010, and 2009 and the six months ended June 30, 2010, and 2009 in millions of U.S. Dollars:

| | For Three Months Ended June 30, 2010 | For Three Months Ended June 30, 2009 | For Six Months Ended June 30, 2010 | For Six Months Ended June 30, 2009 |
|------------------------|--|--|--|--|
| Revenues | | | | |
| Oil and Gas Operations | \$ 1.60 | \$ 0.50 | \$ 2.60 | \$ 0.80 |
| Rig Operations | - | - | - | - |
| Minerals | - | - | - | - |
| Non-Segmented Items | - | - | - | - |
| Consolidated Revenues | \$ 1.60 | \$ 0.50 | \$ 2.60 | \$ 0.80 |

The following table sets forth our Operating Income (Loss) by segment for the second quarters ended June 30, 2010, and 2009 and the six months ended June 30, 2010, and 2009, in millions of U.S. Dollars:

| | For Three Months Ended June 30, 2010 | For Three Months Ended June 30, 2009 | For Six Months Ended June 30, 2010 | For Six Months Ended June 30, 2009 |
|-------------------------|--|--|--|--|
| Operating Income (Loss) | | | | |
| Oil and Gas Operations | \$ 1.30 | \$ (0.60) | \$ 2.30 | \$ (0.90) |
| Rig Operations | (0.30) | (0.20) | (0.40) | (0.50) |
| Minerals | (0.10) | (0.10) | (0.30) | (0.30) |
| Non-Segmented Items | (3.10) | (1.30) | (6.00) | (3.50) |
| Total Income (Loss) | \$ (2.20) | \$ (2.20) | \$ (4.40) | \$ (5.20) |

The following table summarizes our total assets, in millions of U.S. Dollars, at June 30, 2010, and December 31, 2009:

| | June 30, 2010 | December 31, 2009 |
|---------------------------|------------------|-------------------------|
| Total Assets | | |
| Oil and Gas Operations | \$ 8.60 | \$ 7.20 |
| Rig Operations | 1.50 | 1.70 |
| Minerals | 1.40 | 1.40 |
| Drilling and Development | 0.20 | 0.20 |
| Consolidated Total Assets | \$ 11.70 | \$ 10.50 |

NOTE 8 - GOING CONCERN

The Company had a cash balance of \$1.7 million at June 30, 2010, as compared with \$0.3 million at December 31, 2009. Total Current Assets increased \$1.4 million from \$1.9 million at December 31, 2009, to \$3.3 million at June 30, 2010. Total Current liabilities decreased from \$7.2 million at the end of 2009 to \$5.5 million at June 30, 2010, a decrease of \$1.7 million. See Note 11 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2009, for additional discussion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company is dependent on raising additional capital; however, certain factors, such as the economic climate and interest rates, which directly affect the supply of capital, are beyond the Company's control. As such, the Company has no certainty that capital will be available when needed; and these conditions raise substantial doubt about its ability to continue as a going concern.

In December 2009, the Company engaged the services of an investment banking firm to act as financial advisor for Tri-Valley Corporation. During fiscal year 2010, the Company intends to market securities in discreet tranches or offerings with an aggregate value up to \$15 million, and the Company closed its first tranche for \$5.0 million on April 8, 2010. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 9 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

At June 30, 2010, the Company had Non-Trade Accounts Payable of \$850,000 which represented a related party payable to Mr. G. Thomas Gamble, Director and Chairman of the Board of Directors, and our largest shareholder. This payable resulted from Mr. Gamble's ordinary, intended purchase of the Company's common stock. When it was determined that the intended purchase of shares did not satisfy NYSE Amex, LLC, exchange requirements, the Company did not provide timely notice to Mr. Gamble. Upon such notification, the Company offered Mr. Gamble a refund of his investment funds. The Company remains in negotiation with Mr. Gamble on this transaction.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Notice Regarding Forward-Looking Statements

This Report contains forward-looking statements. The words, "anticipate," "believe," "expect," "plan," "intend," "estimate," "project," "could," "may," "foresee," and similar expressions are intended to identify forward-looking statements. These statements include information regarding expected development of the Company's business, financing activities, relationship with customers, and developments in the oil and gas industry. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated, or otherwise indicated.

The following is management's discussion and analysis of certain significant factors that have affected aspects of our financial position and the results of operations during the periods included in the accompanying unaudited Consolidated Financial Statements. You should read this in conjunction with the discussion under "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and our audited Financial Statements for the year ended December 31, 2009, included in our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on March 29, 2010, and the unaudited Condensed Consolidated Financial Statements included elsewhere in this Report.

The profitability of our operations in any particular accounting period will be directly related to the realized prices of crude oil and natural gas sold, the type and volume of crude oil and natural gas produced, and the results of development and exploitation activities. Realized prices for natural gas will fluctuate from one period to another due to regional market conditions and other factors, while oil prices will be predominantly influenced by global supply and demand. The aggregate amount of crude oil and gas produced may fluctuate based on the success of development and exploitation of oil and gas reserves pursuant to current reservoir management. We benefit from lower natural gas prices as we are a consumer of natural gas in our California operations. The cost of natural gas used in our steaming operations, production rates, labor, equipment costs, maintenance expenses, and production taxes are expected to be the principal influences on operating costs. Accordingly, our results of operations may fluctuate from period to period based on the foregoing principal factors, among others.

Notable Second Quarter Items:

- Closed a \$5.0 million sale of common stock in a registered direct offering with institutional investors
- Installed artificial lift on four additional oil wells at our Pleasant Valley project
- Expanded 30-day steam cycles on two additional oil wells at our Pleasant Valley project
- Initiated steam cycles on two existing oil wells at our Claflin property
- Closed on the sale of the South Belridge and Shields-Arms leases for an aggregate price of \$3.4 million, \$0.9 million net to Tri-Valley Corporation
- Reduced past-due Trade Accounts Payable and Accrued Expenses by more than \$1.0 million
- Completed an NI 43-101 Report on our Shorty Creek gold exploration project in Alaska
- Formed an Advisory Committee with partners who own or control a majority interest of the TVC OPUS 1 Drilling Program, L.P., to recommend a development and financing plan for the Pleasant Valley project
- Reorganized management structure to strengthen the Company's focus on accelerating oil revenue generation from existing assets
- Joined the Russell Microcap Index

Notable Items and Expectations for the Third Quarter and Full Year 2010:

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Closing the balance of our planned \$10.0 million financing for fiscal year 2010
Expanding 30-day steam cycles on the three remaining oil wells at our Pleasant Valley project
Completing the initial steam cycle on the remaining five oil wells at our Claflin property
Converting an existing vertical well to salt water disposal well at our Pleasant Valley project
Recommending a development and financing plan for the Pleasant Valley project with the Advisory Committee of partners who own or control a majority interest of the TVC OPUS 1 Drilling Program, L.P.
Initiating drilling of a horizontal steam-injection well to start Steam Assisted Gravity Drainage (SAGD) process at our Pleasant Valley project
Drilling 10-15 new wells at our Claflin and Brea properties
Recompleting the Tilgreut Lease Number 1-18 at our Moffat Ranch property

RESULTS OF OPERATIONS

As discussed in Part I, Item 1. Financial Statements, Note 2- Restatement, the Company restated its financial statements for the three and six-month periods ended June 30, 2010. Management's discussion of the results of operations which follows reflects the restatement where applicable. The Company is also including Results of Operations for the six months ended June 30, 2010, compared with the six months ended June 30, 2009.

For The Three Months Ended June 30, 2010, Compared With The Three Months Ended June 30, 2009:

For the quarter ended June 30, 2010, Total Revenues were \$1.6 million, compared with \$0.5 million in the second quarter of 2009, an increase of \$1.1 million. The \$1.1 million increase in Total Revenues was primarily attributable to a gain on the sale of assets, although higher production and higher crude oil prices contributed to increased crude oil sales versus the second quarter of last year. The Operating Loss of \$2.2 million remained comparable to the same period in 2009. Total Costs and Expenses increased \$1.0 million from the second quarter of 2009 to \$3.7 million during the second quarter of 2010. The increase is primarily attributable to an unrealized loss on derivative instruments of \$1.2 million, partially offset by a decrease in Depletion, Depreciation and Amortization of \$0.3 million.

Revenues

The Company identifies reportable operating segments by the business or service provided. The Company also allocates interest income and expense; depletion, depreciation, and amortization; and other operating expenses in its measure of operating segment profit or loss. The following table sets forth our revenues and changes in revenues by segment for the second quarters of 2010 and 2009, in millions of U.S. Dollars:

| | For Three Months Ended June 30, | | | |
|--------------------------|---------------------------------|---------|------------------------|----------|
| | 2010 | 2009 | Increase (Decrease) | Change % |
| Oil and Gas Operations | \$ 1.60 | \$ 0.50 | \$ 1.10 | 220% |
| Rig Operations | - | - | - | 0% |
| Minerals | - | - | - | 0% |
| Drilling and Development | - | - | - | 0% |
| Non-Segmented Items | - | - | - | 0% |
| Total Revenue | \$ 1.60 | \$ 0.50 | \$ 1.10 | 220% |

Operating Income (Loss)

The following table sets forth our Operating Loss and changes in Operating Loss by segment in the second quarters of 2010 and 2009, in millions of U.S. Dollars:

| | For Three Months Ended June 30, | | | |
|------------------------|---------------------------------|----------|------------------------|----------|
| | 2010 | 2009 | (Increase) Decrease | Change % |
| Oil and Gas Operations | \$ 1.3 | \$ (0.6) | \$ 1.9 | 317% |
| Rig Operations | (0.3) | (0.2) | (0.1) | 50% |
| Minerals | (0.1) | (0.1) | - | 0% |
| Non-Segmented Items | (3.1) | (1.3) | (1.8) | 138% |
| Total Income (Loss) | \$ (2.2) | \$ (2.2) | \$ - | 0% |

Costs and Expenses

General and Administrative expenses were \$1.9 million for the three months ended June 30, 2010, compared with \$1.5 million for the three months ended June 30, 2009, an increase of \$0.4 million, primarily attributable to legal representation and compliance expenses, consulting fees, and severance benefits. Despite increased production volumes and Total Revenues during the second quarter of 2010, Production Costs decreased \$0.4 from the comparable quarter of 2009. Depletion, Depreciation and Amortization decreased during the second quarter of 2010 by \$0.3 million from the same period of 2009. The derivative instrument loss of \$1.2 million for the three months ended June 30, 2010, is the result of the increase in fair value of the Series A and B warrants during the second quarter of 2010 based on a fair value derived from the Black-Scholes options pricing model.

OIL AND GAS OPERATIONS

Oil and Gas Operations Revenues during the second quarter of 2010 were approximately \$1.5 million, compared with \$0.5 million during the second quarter of 2009. The increase of \$1.0 million resulted primarily from gains on the sale of assets, combined with an increase attributable to higher prices for our crude oil and higher production volumes during the second quarter of 2010. Although included for simplicity of presentation, the gain on the sale of assets is not considered true operating revenue. The Company expects that our Oil and Gas Operations should produce increasing revenues as a result of both increasing production and improved pricing and that the operating income of this segment should continue to improve throughout the remainder of the year as we continue to focus on reducing Production Costs. Oil and Gas Operations was the only operating segment of the Company to generate significant Revenues during the second quarter of 2010.

Operating Income for Oil and Gas Operations for the second quarter of 2010 was \$1.3 million, versus an Operating Loss of \$0.6 million for the comparable period of 2009. The change in Operating Income between the two quarters of \$1.9 million was primarily attributable to the \$1.1 million gain on the sale of assets cited earlier and to improvement in Operating Income of \$0.8 million from higher crude oil prices, higher production volumes, and reduced Production Costs during the second quarter of 2010 as compared with the same quarter in the prior year.

The Company continues to focus development on its Pleasant Valley project in the Oxnard Field in California and on its Claflin property in the Edison Field located east of Bakersfield, California. As noted above in Notable Second Quarter Items, the Company installed artificial lift on four additional oil wells at its Pleasant Valley project and expanded 30-day steam cycles on two additional oil wells there during the second quarter of 2010.

RIG OPERATIONS

In 2006, we created two subsidiaries, Great Valley Production Services, LLC, and Great Valley Drilling Company, LLC. At June 30, 2010, both companies were wholly-owned by the Company and inactive. Our sole drilling rig remains idle, and we continue to explore its disposition.

MINERALS

Metals

During the second quarter of 2010, the price of gold rose from \$1,115.50 per ounce at March 31, 2010, to \$1,244.00 per ounce at June 30, 2010, on the London afternoon fix, and reached a record high during this period.

Concerns over the viability of the single European currency, the Euro, as well as, perceptions by investors of fundamental weaknesses in several major European economies drove investment demand for gold during the second quarter of 2010. The Company continues to maintain a strong focus on its gold exploration properties in the State of Alaska.

In November 2009, the Company retained the services of independent technical experts to produce Canadian National Instrument 43-101 Reports (NI 43-101), first on its Shorty Creek and, second on its Richardson, gold exploration projects in Alaska. The 43-101 Report for Shorty Creek was completed during the second quarter of 2010, and the Report for Richardson is scheduled for completion during the fourth quarter of 2010. NI 43-101 Reports conform to a set of rules and guidelines for reporting and displaying information related to mineral properties and are relied upon to fairly indicate economic potential for listing on Canadian stock exchanges, as well as, for project financing in other venues.

The NI 43-101 for the Shorty Creek Property was completed by independent geological consulting firm, Avalon Development Corporation, and identified a potentially large porphyry copper, gold, and molybdenum system covering an area approximately eight miles in diameter.

Industrial Minerals

The Admiral Calder calcium carbonate quarry in Alaska, wholly owned and managed by our subsidiary company, Select, remained in a care-and-maintenance status during the first half of 2010. Select continued its market and operational assessment studies for the quarry's product. In that respect, we completed our internal mine and economic model and contacted two potential customers. Discussions are still progressing. The high-grade product is considered to be in the top one percent of high whiteness and high brightness calcium carbonate deposits in the world and one of the few deposits to be located directly on tidewater. On-site repair, maintenance and upgrade activities continued during the second quarter of 2010.

NON-SEGMENTED ITEMS

Non-Segmented Items primarily include General and Administrative expenses, stock-based compensation, bad debt and derivative instruments loss. Non-Segmented Items increased from \$1.3 million during the second quarter of 2009 to \$3.1 million in the second quarter of 2010. A majority of the \$1.8 million increase between the comparable periods of 2010 and 2009 was attributable to an increase in the fair value of the Series A and B warrants during the second quarter of 2010 based on a fair value derived from the Black-Scholes options pricing model resulting in a loss on derivative instruments of \$1.2 million.

For The Six Months Ended June 30, 2010, Compared With The Six Months Ended June 30, 2009:

For the six months ended June 30, 2010, Total Revenues were \$2.6 million, compared with \$0.8 million for the same period in 2009, an increase of \$1.7 million. The \$1.7 million increase in Total Revenues was primarily attributable to a gain on the sale of assets, although higher production and higher crude oil prices contributed to increased crude oil sales versus the same period of 2009. The Operating Loss of \$4.4 million is \$0.9 million less than the Operating Loss for the same period of 2009 primarily due to higher Stock-Based Compensation of \$1.2 million and an unrealized Derivative Instruments Loss of \$1.2 million partially offset by the \$1.7 million gain on the sale of assets. Total Costs and Expenses increased \$0.8 million from the six months ended June 30, 2009 to \$7.0 million for the six months ended June 30, 2010. The increase is primarily attributable to an unrealized Loss on Derivative Instruments of \$1.2 million and higher stock-based compensation of \$1.2 million, partially offset by a decrease in Depletion, Depreciation and Amortization of \$0.5 million, General and Administrative expenses of \$0.5 million and lower Production Costs of \$0.6 million.

Revenues

The Company identifies reportable operating segments by the business or service provided. The Company also allocates interest income and expense; depletion, depreciation, and amortization; and other operating expenses in its measure of operating segment profit or loss. The following table sets forth our revenues and changes in revenues by segment for the six months ended June 30, 2010 and 2009, in millions of U.S. Dollars:

| | For Six Months Ended June 30, | | | |
|--------------------------|-------------------------------|---------|------------------------|----------|
| | 2010 | 2009 | Increase (Decrease) | Change % |
| Oil and Gas Operations | \$ 2.60 | \$ 0.80 | \$ 1.80 | 225% |
| Rig Operations | - | - | - | 0% |
| Minerals | - | - | - | 0% |
| Drilling and Development | - | - | - | 0% |
| Non-Segmented Items | - | - | - | 0% |
| Total Revenue | \$ 2.60 | \$ 0.80 | \$ 1.80 | 225% |

Operating Income (Loss)

The following table sets forth our Operating Loss and changes in Operating Loss by segment for the six months ended June 30, 2010 and 2009, in millions of U.S. Dollars:

| | For Six Months Ended June 30, | | | |
|------------------------|-------------------------------|-----------|------------------------|----------|
| | 2010 | 2009 | (Increase) Decrease | Change % |
| Oil and Gas Operations | \$ 2.30 | \$ (0.90) | \$ 3.20 | 355% |

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| | | | | |
|---------------------|-----------|-----------|---------|------|
| Rig Operations | (0.40) | (0.50) | 0.10 | 20% |
| Minerals | (0.30) | (0.30) | - | 0% |
| Non-Segmented Items | (6.00) | (3.50) | (2.50) | -72% |
| Total Income (Loss) | \$ (4.40) | \$ (5.20) | \$ 0.80 | 15% |

Costs and Expenses

General and Administrative expenses were \$3.4 million for the six months ended June 30, 2010, compared with \$3.9 million for the six months ended June 30, 2009, a decrease of \$0.5 million, primarily attributable to reduced staffing costs partially offset by higher legal representation and compliance expenses, consulting fees, and severance benefits. Despite increased production volumes and Total Revenues during the six months ended June 30, 2010, Production Costs decreased \$0.6 from the comparable period of 2009. Depletion, Depreciation and Amortization decreased during the six months ended June 30, 2010 by \$0.5 million from the same period of 2009. Stock-Based Compensation increased \$1.2 million for the six months ended June 30, 2010 primarily due to warrants issued to a former executive in connection with his retirement agreement in the first six months of 2010. The Derivative Instrument Loss of \$1.2 million for the six months ended June 30, 2010 was the result of the increase in fair value of the Series A and B warrants during the six months ended June 30, 2010 based on a fair value derived from the Black-Scholes options pricing model.

OIL AND GAS OPERATIONS

Oil and Gas Operations Revenues for the six months ended June 30, 2010 were approximately \$2.6 million, compared with \$0.8 million for the same period of 2009. The increase of \$1.8 million resulted primarily from gains on the sale of assets, combined with an increase attributable to higher prices for our crude oil and higher production volumes during the first half of 2010. Although included for simplicity of presentation, the gain on the sale of assets is not considered true operating revenue. The Company expects that our Oil and Gas Operations should produce increasing revenues as a result of both increasing production and improved pricing and that the operating income of this segment should continue to improve throughout the remainder of the year as we continue to focus on reducing Production Costs. Oil and Gas Operations was the only operating segment of the Company to generate significant Revenues for the six months ended June 30, 2010.

Operating Income for Oil and Gas Operations for the six months ended June 30, 2010 was \$2.3 million, versus an Operating Loss of \$0.9 million for the comparable period of 2009. The change in Operating Income between the two periods of \$3.2 million was primarily attributable to the \$1.7 million gain on the sale of assets cited earlier and to improvement in Operating Income of \$1.5 million from higher crude oil prices, higher production volumes, and reduced Production Costs during the first half of 2010 as compared with the same period in the prior year.

RIG OPERATIONS

The Net Loss for our Rig Operations segment was \$0.4 million for the six months ended June 30, 2010 which is a decrease of \$0.1 million for the comparable period of 2009. Our expenses for this segment consist primarily of depreciation and maintenance of the rig while pending disposition.

MINERALS

The Net Loss for our Minerals segment was \$0.3 million for the six months ended June 30, 2010 which is comparable to the same period in 2009. Our expenses for the Minerals segment consist primarily of employee salary and benefits, and rental payments to maintain our claims to the Richardson and Shorty Creek exploration-stage gold and other minerals prospects.

NON-SEGMENTED ITEMS

Non-Segmented Items primarily include non-allocated General and Administrative expenses, stock-based compensation, bad debt and derivative instruments loss. Non-Segmented Items increased from \$3.5 million for the six months ended June 30, 2009 to \$6.0 million for the comparable period of 2010. The \$2.5 million increase between the comparable periods of 2010 and 2009 was primarily due to an increase in the fair value of the Series A and B warrants resulting in a loss on derivative instruments of \$1.2 million and an increase in stock-based compensation of \$1.2 million as a result of warrants issued to a former executive in connection with his retirement agreement in the first six months of 2010.

FINANCIAL CONDITION, CAPITAL RESOURCES, AND LIQUIDITY

Total Current Assets were \$3.3 million at June 30, 2010, \$1.9 million higher than at year-end 2009. Cash increased from \$0.3 million at December 31, 2009, to \$1.7 million at June 30, 2010.

Accounts Receivable TVOG Production Accrual increased to \$0.9 million at June 30, 2010, compared with less than \$0.1 million at year-end 2009, as a result of higher production and sales during the second quarter of 2010. Prepaid Expenses increased \$0.4 million from year-end 2009 primarily as a result of advanced royalty payments for our gold properties in Alaska and for our oil properties at Claflin and Pleasant Valley in California. Accounts Receivable from Joint Venture Partners decreased from \$1.4 million at December 31, 2009, to \$0.1 million at June 30, 2010. Total Current Liabilities decreased \$1.8 million from December 31, 2009, to \$5.5 million at the end of the second quarter of this year, as the Company aggressively sought to reduce past due amounts with its vendors. Non-Trade Accounts Payable remained unchanged at \$0.8 million.

Operating Activities

Net Cash Provided by Operating Activities was a negative \$5.7 million for the six months ended June 30, 2010, compared with a positive figure of \$1.6 million for the same reporting period in 2009. The change cash flow between the two periods was due principally to our Operating Loss, increases in Total Accounts Receivable and Total Other Assets, and a decrease in Accounts Payable, Deferred Revenue and Accrued Expenses.

Investing Activities

Net Cash Provided by Investing Activities was \$2.2 million for the first six months of 2010 compared with a negative \$0.5 million for the first six months of 2009. During the first half of 2010, the Company received \$3.1 million from the sale of assets and spent \$0.8 million in capital expenditures for well maintenance and improvements on a cash basis. During the first half of 2009, we had capital expenditures of \$0.5 million, again for well maintenance and improvements.

Financing Activities

Net Cash Provided by Financing Activities during the first half of 2010 was \$4.9 million, compared with a negative \$0.1 million for the same period of 2009. During the first six months of 2010, our Principal Payments on Long-Term Debt were \$0.2 million, while Net Proceeds from the Issuance of Stock Options and Common Stock, less stock rescissions, were \$5.0 million. During the same period in 2009, we received minimal Net Proceeds from the Issuance of Common Stock, and our Principal Payments on Long-Term Debt were not significantly different from those during the first six months of 2010.

Liquidity

The recoverability of our crude oil and natural gas reserves depends on future events, including obtaining adequate financing for our exploration and development program, successfully completing our planned drilling program, and achieving a level of operating revenues that is sufficient to support our cost structure. The Company had cash balances of \$1.7 million and \$0.3 million at June 30, 2010, and December 31, 2009, respectively. Total Current Liabilities at June 30, 2010, were \$5.5 million versus \$7.2 million at December 31, 2009.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company is dependent on raising additional capital; however, certain factors, such as the economic climate and interest rates, which directly affect the supply of capital, are beyond the Company's control. As such, the

Company has no certainty that capital will be available when needed; and these conditions raise substantial doubt about its ability to continue as a going concern.

Liquidity (Continued)

In December 2009, the Company engaged the services of an investment banking firm to act as financial advisor for Tri-Valley Corporation. During fiscal year 2010, the Company intends to market securities in discreet tranches or offerings with an aggregate value of up to \$15 million.

Through the first quarter of 2010, the primary source of capital for the Company's managed and operated projects had been investors in the TVC OPUS 1 Drilling Program, L.P. and the private placement of our common stock. On April 6, 2010, the Company executed a Securities Purchase Agreement with a group of institutional investors to purchase \$5.0 million of the Company's common stock and warrants in a registered direct offering of securities. For additional information regarding the transaction, please refer to our Forms 8-K/A and 8-K, Section 1-- Registrant's Business and Operations, Item 1.01 Entry into a Material Definitive Agreement, filed with the U.S. Securities and Exchange Commission on April 7, 2010, and April 6, 2010, respectively. This transaction marked a milestone in the Company's history as its first entrance into the registered public capital markets for financing. Until the Company achieves profitability, we will remain dependent upon continued capital formation to cover a portion of our Operating and General and Administrative Expenses for fiscal 2010.

The Company has no off balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Tri-Valley Corporation does not engage in hedging activities, nor does the Company employ commodity futures or forward contracts in its cash management functions.

ITEM 4. CONTROLS AND PROCEDURES

In connection with the preparation of our Annual Report on Form 10-K for the year ended December 31, 2009, ("Annual Report"), management assessed the effectiveness of our disclosure controls and procedures and internal control over financial reporting. This assessment is more fully described in Item 9a., Controls and Procedures, Evaluation of Disclosure Controls, of our Annual Report. Based on that assessment, management identified material weaknesses in our internal controls. Because of these material weaknesses, management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2009, as discussed in Management's Report on Internal Control in our Annual Report.

In connection with management's assessment of our internal control over financial reporting, we identified material weaknesses in our internal control over financial reporting as of December 31, 2009, in the following areas; and management committed to aggressive remediation early during 2010:

Cash Management –During the first quarter of 2010, a new Treasury Management Account Structure was implemented with improved controls over authorizing and recording cash disbursements. New procedures for reconciling all bank accounts monthly were implemented and followed.

Authorizing and Recording Equity Transactions –During the first quarter of 2010, new procedures were implemented and followed, ensuring that all equity transactions were reviewed and authorized by the Chief Financial Officer prior to recording.

Property, Plant and Equipment –During the first quarter of 2010, depreciation procedures were fully reviewed, and new procedures for properly recording expense for depreciable assets were implemented and followed.

As of March 31, 2010, a new evaluation was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, Rule 13a-15(e) and Rule 15d-15(e)).

As a result of remediation of the material weaknesses in internal control over financial reporting cited above during the first quarter of 2010, at June 30, 2010, our management concluded that our disclosure controls and procedures remained effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms.

ITEM 4. CONTROLS AND PROCEDURES (Continued)

However, in connection with the filing of this Amendment No. 1 to the Company's quarterly report on Form 10-Q/A, the Company's Chief Executive Officer and Interim Chief Financial Officer re-evaluated, with the participation of management, the effectiveness of the Company's disclosure controls and procedures, and concluded that material weaknesses existed with respect to the Company's reporting of complex, non-routine transactions and inventory of equipment as of the end of the period covered by this quarterly report on Form 10-Q/A. The first weakness was primarily a result of our interpretation of the guidance in ASC 815-40, "Derivative and Hedging – Contracts in an Entity's own Equity" with respect to its application to the Series A and B Warrants, the valuation of common stock and warrants issued by the Company and accounting for incremental and direct costs incurred to issue common stock. The second weakness was primarily a result of inadequate controls and procedures involving the timely inventory of equipment on hand and used in operating activities. These weaknesses required the restatement of our consolidated financial statements as of and for the three and six months ended June 30, 2010 covered by this quarterly report on Form 10-Q/A.

Our independent auditors have not tested or reviewed our new internal control over financial reporting as of the date of this Report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Other than ordinary routine litigation incidental to our business, certain additional material litigation follows:

Tri-Valley Corporation v. Hansen et al., No. 56-2009-00345844-CU-OR-VTA, Superior Court, Ventura County, California.

On May 29, 2009, we filed a quiet title action against the lessors of our Scholle-Livingston oil and gas leases (the "1934 Oil and Gas Leases"). On July 2, 2009, the defendants filed a cross complaint. Our lawsuit sought to quiet title to the 1934 Oil and Gas Leases by affirming the validity of the leases, and the cross complaint sought to terminate the leases.

On May 6, 2010, the parties entered into a Settlement Agreement and Release of Claims. Certain key elements of this settlement agreement are: (i) the 1934 Oil and Gas Leases were terminated, (ii) we entered into a Gas Pipeline and Use Agreement with the defendants, and (iii) the settlement expressly excluded any rights arising from separate leases of a 50% mineral interest in the property which we entered in 2009 (the "2009 Scholle Leases"), with a group of lessors related to the Scholle family (the "Scholle Heirs").

During the week following the entry of the settlement agreement, the Hansen family filed another lawsuit, which is described below.

Hansen et al. v. Tri-Valley Corporation et al., No. 56-2010-00373549-CU-OR-VTA, Superior Court, Ventura County, California.

On May 11, 2010, plaintiffs filed a quiet title action against: (i) the Scholle Heirs with respect to a 50% mineral interest owned by the Scholle Heirs and (ii) us with respect to our 2009 Scholle Leases granted to us by the Scholle Heirs. On July 9, 2010, we and the Scholle Heirs filed a cross-complaint for quiet title. Our cross-complaint seeks to affirm the validity of the 50% mineral interest owned by the Scholle Heirs and to affirm the validity of our oil and gas leases from the Scholle Heirs, while plaintiffs' complaint seeks to extinguish the mineral interest of the Scholle Heirs

and to terminate our leases. We believe that the 2009 Scholle Leases have significant and valuable heavy oil deposits. If the plaintiffs are successful in terminating the 2009 Scholle Leases, our potential for future development in the Pleasant Valley Field will be significantly impaired.

We are vigorously representing our interests in this lawsuit as we believe that we have valid claims and defenses.

Lenox v. Tri-Valley Corporation, No. 56-2009-00358492-CU-OR-VTA, Superior Court, Ventura County, California.

On September 25, 2009, the lessors of our Lenox and Snodgrass oil and gas leases (“Lenox/Snodgrass Leases”) filed a quiet title action against us. Our answer to the action was filed on November 6, 2009. The principal relief sought by lessors is termination of our Lenox/Snodgrass Leases in our Pleasant Valley project. We drilled one well and reworked several others on these leases. Drilling and production operations on this property are suspended due to the pending litigation and waiting for the installation of an improved electric distribution system required by a local regulatory body. We believe that the Lenox/Snodgrass Leases have significant and valuable heavy oil deposits. If the plaintiffs are successful in terminating the Lenox/Snodgrass Leases, our potential for future development in the Pleasant Valley Field will be significantly impaired.

ITEM 1. LEGAL PROCEEDINGS (Continued)

The court has extended the trial date to November 22, 2010. We are vigorously representing our interests in this lawsuit as we believe that we have valid claims and defenses.

ITEM 1A. RISK FACTORS

Please also refer to Part I, Item 1A, Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the U.S. Securities and Exchange Commission on March 29, 2010.

We face various risks related to our restatements.

On October 24, 2011, we publicly announced that we had discovered accounting inaccuracies in previously reported financial statements. Following consultation with our auditors, and with the concurrence of the audit committee of our board of directors, we decided to restate our financial statements for (i) the fiscal quarter ended June 30, 2010 included in the Form 10-Q filed with the SEC on August 2, 2010, (ii) the fiscal quarter ended September 30, 2010 included in the Form 10-Q filed with the SEC on November 3, 2010, (iii) the fiscal year ended December 31, 2010 included in the Form 10-K filed with the SEC on March 22, 2011, (iv) the fiscal quarter ended March 31, 2011 included in the Form 10-Q filed with the SEC on May 9, 2011 and (v) the fiscal quarter ended June 30, 2011 included in the Form 10-Q filed with the SEC on August 19, 2011. These financial statements needed to be restated to correct (a) the valuation of, and accounting for, the common stock and warrants issued by the Company in a registered direct offering of securities in April 2010, (b) the accounting for incremental and direct costs incurred to issue common stock in connection with the Company's April 2011 private placement and various at-the-market offerings of common stock, and (c) the accounting for the acquisition of certain steam generator assets from the TVC OPUS 1 Drilling Program, L.P.

In connection with the restatement of these financial statements, the Company's management concluded that material weaknesses existed with respect to the Company's reporting of complex, non-routine transactions and inventory of equipment. The effect of the restatements did not impact the Company's previously reported total assets, stockholders' equity, cash, cash equivalents or net changes in cash and cash equivalents as at and for the year ended December 31, 2010, and as at and for the six months ended June 30, 2011. However, if we fail to successfully remediate these weaknesses, they could diminish our ability to accurately report our results of operations or financial positions and to meet our financial reporting obligations in a timely manner and could cause our stock price to decline.

Additionally, the restatement of these financial statements could lead to litigation claims and/or regulatory proceedings against us. The defense of any such claims or proceedings may cause the diversion of management's attention and resources, and we may be required to pay damages if any such claims or proceedings are not resolved in our favor. Any litigation or regulatory proceeding, even if resolved in our favor, could cause us to incur significant legal and other expenses. We also may have difficulty raising equity capital or obtaining other financing, such as lines of credit or otherwise. We may be subject to resignation of our current external auditors which may, among other things, cause a delay in the preparation of future financial statements and increase expenditures related to the retention of new external auditors and the lead time required to become familiar with our operations. The process of retaining new external auditors may limit our access to the capital markets for an extended period of time. Moreover, we may be the subject of negative publicity focusing on the financial statement inaccuracies and resulting restatement and negative reactions from our stockholders, creditors or others with which we do business. The occurrence of any of the foregoing could harm our business and reputation and cause the price of our securities to decline, and could result in a delisting of our securities from the NYSE Amex.

Currently pending lawsuits threaten to limit potential development of a significant and valuable heavy oil project.

There are currently two legal actions pending against us that may result in the termination of leases to properties in our Pleasant Valley project. Please see Part II, Item 1. Legal Proceedings. Drilling and production operations have not yet commenced on one of these properties due to the pending litigation. Drilling and production operations on the other property are suspended due to the pending litigation and waiting for the installation of an improved electric distribution system required by a local regulatory body. Our present intention is to develop these leases as part of our Pleasant Valley project. We believe that the leases have significant and valuable heavy oil deposits. If the plaintiffs are successful in terminating the oil and gas leases, our potential for future development in the Pleasant Valley Field will be significantly impaired. We are vigorously pursuing and defending these lawsuits, as we believe that we have valid claims and defenses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the second quarter of 2010, 30,000 shares of common stock were issued to our current six independent directors for services rendered in 2010. These shares were issued in reliance on the exemption from securities registration requirements of the Securities Act of 1933 contained in Section 4 (2) thereof. Also during the second quarter of 2010, we rescinded a stock subscription for 20,000 shares and refunded a total of \$25,000. As of June 30, 2010, the Company had received subscriptions to purchase an additional 94,790 shares, which had not been accepted because required subscription documents had not been received from the subscribers, and the necessary stock exchange approval has not been received.

ITEM 5. OTHER INFORMATION

Executive Management Changes

On June 9, 2010, Mr. Michael P. Stark was appointed Vice President of Exploration, a position that had been vacant at the Company since 2008. Mr. Stark has overall responsibility for the Company's oil and gas exploration activities, including land management, and joined the executive management team reporting to Mr. Maston N. Cunningham, Chief Executive Officer and President.

On June 18, 2010, following the Company's 2010 Annual Meeting of Shareholders, Mr. G. Thomas Gamble was re-elected Chairman of the Board of Directors; Mr. Maston N. Cunningham was re-elected Chief Executive Officer and President; and Mr. John E. Durbin was re-elected Chief Financial Officer, Treasurer, and Secretary.

On June 29, 2010, the Company announced additional organizational changes designed to strengthen the Company's focus on accelerating crude oil revenue generation from existing assets. Under the new structure, Mr. Maston N. Cunningham, Chief Executive Officer and President of Tri-Valley Corporation also became President of Tri-Valley Oil & Gas Co. (TVOG), replacing Mr. Joseph R. Kandle. Mr. Kandle continues to serve as Senior Vice President, Corporate Development, for Tri-Valley Corporation, dedicating his full time to identifying new crude oil and natural gas opportunities, including the assessment of new technologies.

Additional changes announced on June 29, 2010, were a direct reporting relationship for Mr. James C. Kromer, Vice President of Operations for Tri-Valley Corporation to Mr. Cunningham. The Company announced the consolidation of its minerals activities under Mr. Michael P. Stark, Vice President of Exploration, who also reports directly to Mr. Cunningham. And finally, Mr. John E. Durbin, Chief Financial Officer, assumed additional responsibilities for the human resources, administrative, and information technology functions of the Company; he reports directly to Mr. Cunningham.

ITEM 6. EXHIBITS

| Item | Description |
|------|--|
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification |
| 32.1 | 18 U.S.C. Section 1350 Certification |
| 32.2 | 18 U.S.C. Section 1350 Certification |

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.

TRI-VALLEY CORPORATION

November 17, 2010

/s/ Maston N. Cunningham
Maston N. Cunningham
President and Chief Executive Officer

November 17, 2011

/s/ Gregory L. Billinger
Gregory L. Billinger
Interim Chief Financial Officer