



NEWS RELEASE

FOR IMMEDIATE RELEASE

ESPERANZA ENERGY EVALUATING SOUTHERN CALIFORNIA OFFSHORE LNG RECEIVING TERMINAL

Assembles Best-In-Class Team of Industry And Environmental Experts To Aid Design and Siting Evaluation Process

LONG BEACH, California, April 4, 2006 – Esperanza Energy LLC, a newly formed subsidiary of Tidelands Oil & Gas Corporation (OTCBB: TIDE), announced today that the company is evaluating the feasibility of developing an offshore, deep-water Southern California liquefied natural gas (LNG) receiving terminal. Although a specific site off the Southern California coast has not been determined at present, the company is focusing its evaluation on several potential sites up to 12 miles offshore of the greater Long Beach area.

“Our goal is to develop a LNG import terminal that can play an important role in meeting California’s growing energy needs by providing competitively priced natural gas to supplement that which is currently transported into the state by long-distance pipelines,” stated Esperanza Energy President, Michael Ward. Mr. Ward further stated, “Esperanza will only pursue this project if it can be sited, designed and operated in the safest, most environmentally responsible and economically viable manner possible. Our goal is not to just meet the environmental, public health and safety requirements, but to exceed them.”

Esperanza Energy is initiating a project feasibility study with the assistance of best-in-class LNG, environmental, pipeline and legal experts that include:

- **David Maul**, former manager of the California Energy Commission’s Natural Gas Office;

- **ENTRIX, Inc.**, a professional environmental consulting company specializing in environmental permitting and compliance for major offshore oil and gas projects in California and the United States (www.entrix.com);
- **Project Consulting Services, Inc.**, a leader in engineering, construction, management and inspection of onshore and offshore pipelines (www.projectconsulting.com);
- **Pillsbury Winthrop Shaw Pittman, LLP**, an interdisciplinary law firm with leading practices in environmental, land use and energy legal advice and in project development and finance (www.pillsburylaw.com).

“As the former head of the California Energy Commission’s Natural Gas Office, I’m intimately familiar with every LNG project on the West Coast,” stated David Maul, President of Maul Energy Advisors. “I chose to work with Esperanza Energy because of the company’s strong commitment to design and build a LNG project that is responsive to California’s unique environmental and regulatory sensitivities.”

“Our preliminary analysis suggests that a site offshore of the Long Beach area would offer considerable benefits to California residents with the greatest respect for environmental and safety issues,” added Mr. Maul. “Before selecting a specific site for developmental consideration, we will confer with key local, regional and state stakeholders.”

About Esperanza Energy LLC

Esperanza Energy LLC, is a wholly owned subsidiary of Tidelands Oil & Gas Corporation and was formed in March 2006 to develop a liquefied natural gas (LNG) receiving terminal and ancillary facilities in the offshore waters of Southern California. Esperanza Energy’s initiative is to help mitigate California’s growing energy needs while remaining committed to best practices from a public safety, community benefit and environmental perspective.

About Tidelands Oil & Gas Corporation

Tidelands Oil & Gas Corporation, San Antonio, Texas, focuses its business on international pipeline crossings, gas processing plants and gas storage facilities. Through its ten directly and indirectly owned subsidiaries, Tidelands offers a full suite of services and has the capability to satisfy a wide variety of customer needs, both domestically and internationally. For more information about the Company, please visit www.tidelandsoilandgas.com.

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MEDIA & PUBLIC RELATIONS

Matt Klink
Cerrell Associates Inc.
323-466-3445

INVESTOR CONTACT

Barry Gross
Gross Capital, Inc.
361-949-4999
barry@grosscapital.com

COMPANY CONTACT

Michael Ward
Tidelands Oil & Gas
210-764-8642
togctide@aol.com

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