



Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CAR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CAR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CAR 240.13e-4(c))

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**Item 4.01 Change in Registrant’s Certifying Accountant**

(a) On June 28, 2007, the Board of Directors of Tidelands Oil and Gas Corporation (the “Company”) made the decision to change accountants from Baum & Company, P.A. to RBSM, LLP, a member firm of Russell Bedford International with offices in New York, NY, Washington, DC and Philadelphia, PA . The reports of Baum & Company, P.A. dated April 13, 2007 and April 14, 2006, on our condensed consolidated financial statements for the years ended December 31, 2006 and December 31, 2005, did not contain an adverse opinion or disclaimer of opinion, or qualification or modification as to uncertainty, audit scope, or accounting principles for the years ended December 31, 2006 and December 31, 2005. However, the report for the year ended December 31, 2006 contained an explanatory paragraph disclosing the uncertainty regarding the ability of the Company to continue as a going concern.

During the two most recent fiscal years ended December 31, 2006 and 2005, and in the subsequent interim period, there were no disagreements with Baum & Company, P.A. on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures, which, if not resolved to their satisfaction, would have caused them to make reference to the matter in their report.

The Company has provided Baum & Company, P.A with a copy of this disclosure. Exhibit 16.1 attached hereto is a copy of Baum & Company’s letter, stating that it agrees with the above statements.

(b) RBSM, LLP (“RBSM”) was engaged by the Company on June 28, 2007 as our principal accountant.

During the fiscal years ended December 31, 2006 and 2005 and through the date hereof, neither we nor anyone on our behalf consulted with RBSM regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, nor has RBSM provided to us a written report or oral advice regarding such principles or audit opinion or (ii) any matter that was the subject of a disagreement or reportable events set forth in Item 304(a)(iv) and (v), respectively, of Regulation S-K.

**Item 9.01 Financial Statements and Exhibits**

Exhibit Description of Exhibit  
No.

16.1 Letter from Baum & Company, P.A.

**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, hereunto duly authorized.

**TIDELANDS OIL & GAS CORPORATION**

Date: July 6, 2007

By: /s/ James B. Smith  
James B. Smith  
President and Chief Executive  
Officer

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