

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-C  
REPORT BY ISSUER OF SECURITIES QUOTED ON NASDAQ  
INTERDEALER QUOTATION SYSTEM  
FILED PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 AND RULE 13a-17  
OR 15d-17 THEREUNDER

TERA COMPUTER COMPANY  
(EXACT NAME OF ISSUER AS SPECIFIED IN CHARTER)  
2815 EASTLAKE AVENUE EAST, SEATTLE, WA 98102-3027  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)  
(206) 325-0800  
(TELEPHONE NUMBER, INCLUDING AREA CODE)

I. CHANGE IN NUMBER OF SHARES OUTSTANDING

Indicate any change (increase or decrease) of 5% or more in the number of shares outstanding:

1. Title of security: Redeemable Common Stock Purchase Warrants
2. Number of shares outstanding before the change: 1,358,398 Warrants
3. Number of shares outstanding after the change: 2,538,398 Warrants
4. Effective date of change: July 11, 1996
5. Method of change: Private Placement

Give brief description of transaction: The Company concluded on July 11, 1996, a private placement of Units, each Unit consisting of two shares of Series A Convertible Preferred Stock and one Redeemable Common Stock Purchase Warrant, with H.J. Meyers & Co., Inc. of Rochester, New York, acting as the Company's Sales Agent, in which the Company raised a total of \$8,024,000. The Redeemable Common Stock Purchase Warrants are identical to the Redeemable Common Stock Purchase Warrants (the "Warrants") traded on the Nasdaq Smallcap Market under the symbol "TERAW," except that the newly issued Warrants are subject to resale restrictions because of the private sale. Due to antidilution provisions contained in the Warrants, the exercise price of the Warrants has been changed so that the exercise price will be \$5.94 per share of Common Stock through March 24, 1998, and \$6.74 per share of Common Stock thereafter through September 24, 2000, at which time the Warrants will expire, and the number of shares of Common Stock upon the exercise of each outstanding Warrant has increased from 1 share to 1.21 shares through May 24, 1998, and 1.25 shares thereafter through September 24, 2000.

The above numbers do not include 85,000 Warrants which are issuable to J.H. Meyers & Co., Inc. pursuant to a Representative's Warrant issued in connection with the

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Company's initial public offering in September 1995 or 118,000 Warrants also issuable to H.J. Meyers & Co., Inc. pursuant to a Sales Agent's Warrant issued in connection with the private placement described above.

II. CHANGE IN NAME OF ISSUER

1. Name prior to change
2. Name after change
3. Effective date of charter amendment changing name
4. Date of shareholder approval of change, if required

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.

Date: July 15, 1996

TERA COMPUTER COMPANY

By: /s/ James E. Rottsolk

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James E. Rottsolk  
Chief Executive Officer  
and Chief Financial Officer