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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013.

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number 001-32472

TGC INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Texas	**74-2095844**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 East Park Blvd., Suite 955, Plano, Texas	**75074**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(972) 881-1099**

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 x No o

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of Each Class	Outstanding at May 1, 2013
Common Stock ($.01 Par Value)	20,766,597

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Reference is made to the succeeding pages for the following financial information:

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TGC INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2013

	March 31, 2013 (Unaudited)	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 9,999,433	$ 8,614,244
Trade accounts receivable	37,649,154	35,640,758
Cost and estimated earnings in excess of billings on uncompleted contracts	8,472,820	6,263,943
Prepaid expenses and other	1,156,446	1,824,779
Total current assets	57,277,853	52,343,724
PROPERTY AND EQUIPMENT - at cost		
Machinery and equipment	189,832,081	190,943,331
Automobiles and trucks	15,534,952	15,265,627
Furniture and fixtures	487,406	488,779
Leasehold improvements	14,994	14,994
	205,869,433	206,712,731
Less accumulated depreciation and amortization	(123,486,298)	(117,326,964)
	82,383,135	89,385,767
Goodwill	201,530	201,530
Other assets	96,779	96,817
	298,309	298,347
TOTAL ASSETS	$ 139,959,297	$ 142,027,838

See Notes to Consolidated Financial Statements (unaudited)

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TGC INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS - CONTINUED
March 31, 2013

	March 31, 2013 (Unaudited)	December 31, 2012
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 12,418,785	$ 13,680,538
Accrued liabilities	5,927,730	5,544,071
Billings in excess of costs and estimated earnings on uncompleted contracts	890,201	3,757,349
Federal and state income taxes payable	4,955,535	4,569,891
Current maturities of notes payable	9,933,778	10,615,279
Current portion of capital lease obligations	1,807,779	1,960,503
Total current liabilities	35,933,808	40,127,631
NOTES PAYABLE, less current maturities	12,252,579	14,412,598
CAPITAL LEASE OBLIGATIONS, less current portion	1,685,502	1,884,937
LONG-TERM DEFERRED TAX LIABILITY	6,686,271	7,617,111

COMMITMENTS AND CONTINGENCIES	—	—
SHAREHOLDERS' EQUITY		
Preferred stock, $1.00 par value; 4,000,000 shares authorized; issued - none	—	—
Common stock, $.01 par value; 25,000,000 shares authorized; 20,905,318 and 20,732,500 in each period	209,053	207,325
Additional paid-in capital	30,310,938	29,573,986
Retained earnings	54,425,028	48,073,556
Treasury stock, at cost, 97,816 and 80,076 shares in each period	(874,973)	(691,009)
Accumulated other comprehensive (loss) income	(668,909)	821,703
	83,401,137	77,985,561
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 139,959,297	$ 142,027,838

See Notes to Consolidated Financial Statements (unaudited)

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TGC INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
March 31, 2013

	Three Months Ended March 31, 2013	2012
Revenue	$ 63,204,413	$ 67,045,408
Cost and expenses		
Cost of services	43,232,641	38,548,049
Selling, general and administrative	2,380,541	2,300,002
Depreciation and amortization expense	6,686,369	5,722,599
	52,299,551	46,570,650
Income from operations	**10,904,862**	**20,474,758**
Interest expense	319,706	242,345
Income before income taxes	**10,585,156**	**20,232,413**
Income tax expense	4,233,684	7,848,153
NET INCOME	**$ 6,351,472**	**$ 12,384,260**
Earnings per common share:		
Basic	$ 0.29	$ 0.58
Diluted	$ 0.29	$ 0.57
Weighted average number of shares outstanding:		
Basic	21,722,855	21,326,962
Diluted	22,186,333	21,789,222

See Notes to Consolidated Financial Statements (unaudited)

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TGC INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
March 31, 2013

	Three Months Ended March 31, 2013	2012

Net Income	$ 6,351,472	$ 12,384,260
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(1,490,612)	518,164
Total other comprehensive (loss) income, net of tax	(1,490,612)	518,164
COMPREHENSIVE INCOME	$ 4,860,860	$ 12,902,424

See Notes to Consolidated Financial Statements (unaudited)

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TGC INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
March 31, 2013

	Three Months Ended March 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 6,351,472	$ 12,384,260
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,686,369	5,722,599
Gain on disposal of property and equipment	(42,485)	(279,242)
Non-cash compensation	217,952	89,179
Deferred income taxes	(930,840)	(91,234)
Changes in operating assets and liabilities		
Trade accounts receivable	(2,488,167)	(34,847,890)
Cost and estimated earnings in excess of billings on uncompleted contracts	(2,210,937)	1,846,409
Prepaid expenses and other	815,489	680,869
Prepaid federal and state income tax	—	78,268
Other assets	(1,115)	(3,153)
Trade accounts payable	(1,191,337)	3,712,864
Accrued liabilities	443,155	2,160,206
Billings in excess of cost and estimated earnings on uncompleted contracts	(2,853,690)	3,386,306
Federal and state income taxes payable	475,328	4,786,372
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	5,271,194	(374,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(559,335)	(2,837,982)
Proceeds from sale of property and equipment	42,982	328,049
NET CASH USED IN INVESTING ACTIVITIES	(516,353)	(2,509,933)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(2,994,826)	(2,095,986)
Principal payments on capital lease obligations	(643,768)	(406,825)
Proceeds from exercise of stock options	336,764	140,538
NET CASH USED IN FINANCING ACTIVITIES	(3,301,830)	(2,362,273)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,453,011	(5,246,393)
Effect of exchange rates on cash	(67,822)	162,573
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,614,244	15,745,559
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 9,999,433	$ 10,661,739
Supplemental cash flow information		
Interest paid	$ 319,706	$ 242,345
Income taxes paid	$ 4,689,198	$ 3,074,747
Noncash investing and financing activities		
Capital lease obligations incurred	$ 316,850	$ 874,651
Financed equipment purchase	$ —	$ 7,701,800
Financed insurance premiums	$ 156,276	$ 156,723
Restricted stock awards to employees	$ 54,390	$ 46,020
Treasury shares issued for stock options exercised	$ 183,964	$ 341,533

See Notes to Consolidated Financial Statements (unaudited)

TGC INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
March 31, 2013

NOTE A

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the financial information and footnotes required by generally accepted accounting principles for complete financial statements. References to "we," "us," "our," "its," or the "Company" refer to TGC Industries, Inc. and our subsidiaries.

REVENUE RECOGNITION

Seismic Surveys

The Company provides seismic data acquisition survey services to its customers under general service agreements which define certain obligations for the Company and for its customers. A supplemental agreement setting forth the terms of a specific project, which may be cancelled by either party upon 30 days' advance written notice, is entered into for every project. These supplemental agreements are either "turnkey" agreements providing for a fixed fee to be paid for each unit of seismic data acquired or "term" agreements providing for a fixed hourly, daily, or monthly fee during the term of the project. The duration of these projects will vary from a few days to several months. The Company recognizes revenue when services are performed under both types of agreements. Services are defined as the commencement of data acquisition, which is the physical act of laying out seismic equipment or recording contractually determined data points. Under turnkey agreements, the total number of units of seismic data to be gathered is set forth in the agreement. TGC recognizes revenue on turnkey arrangements as services are performed on a per unit of seismic data acquired rate based on the number of data points per square mile obtained compared to the number of square miles set forth in the agreement. Eagle Canada recognizes revenue on turnkey agreements as services are performed on a per unit of seismic data laid-out rate, which is standard industry practice in Canada, based on the number of receiver lines laid out as compared to the estimated total lines to be laid out for the project pursuant to the agreement. Under term agreements, revenue is recognized, by both TGC and Eagle Canada, as services are performed based on the time worked rate provided in the term agreement. Under both turnkey and term agreements, cost of earned revenue is recognized by multiplying total estimated agreement cost by the percentage-of-completion of the agreement. The excess of that amount over the cost of earned revenue reported in prior periods is recognized as cost of earned revenue for the period. Agreements are not segmented or combined for purposes of calculating percentage of completion. The asset "Cost and estimated earnings in excess of billings on uncompleted contracts" represents costs incurred on turnkey agreements in excess of billings on those agreements. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts" represents billings on turnkey agreements in excess of costs on those agreements.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles-Goodwill and Other (Topic 350) — Testing Indefinite-Lived Intangible Assets for Impairment* ("ASU 2012-02"). This ASU provides entities with an option to first assess qualitative factors to determine whether events or circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is impaired. If an entity concludes that it is more than 50% likely that an indefinite-lived intangible asset is not impaired, no further analysis is required. However, if an entity concludes otherwise, it would be required to determine the fair value of the indefinite-lived intangible asset to measure the amount of actual impairment, if any, as currently required under U.S. GAAP. The ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company adopted this update in the first quarter of 2013 and it did not have a significant effect on its consolidated financial statements and related disclosures.

NOTE B — MANAGEMENT PRESENTATION

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position, results of operations, and changes in financial position have been included. The results of the interim periods are not necessarily indicative of results to be expected for the entire year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q report pursuant to certain rules and regulations of the Securities and Exchange Commission (the "SEC"). For further information, refer to the financial statements and the footnotes thereto included in the Company's Annual Report for the year ended December 31, 2012, filed on Form 10-K.

NOTE C — EARNINGS PER SHARE

Basic earnings per common share are based upon the weighted average number of shares of common stock ("common shares") outstanding. Diluted earnings per share are based upon the weighted average number of common shares outstanding and, when dilutive, common shares issuable for stock options, warrants, and convertible securities. All earnings per common share for the three-month periods ended March 31, 2013, and 2012, have been adjusted for the 5% stock dividend to be paid on May 14, 2013, to shareholders of record as of April 30, 2013.

The following is a reconciliation of net income and weighted average common shares outstanding for purposes of calculating basic and diluted earnings per share:

	Three Months Ended March 31, (Unaudited)	
	2013	**2012**
Basic:		
Numerator:		
Net income	$ 6,351,472	$ 12,384,260
Denominator:		
Basic - weighted average common shares outstanding	21,722,855	21,326,962
Basic EPS	$ 0.29	$ 0.58
Diluted:		
Numerator:		
Net income	$ 6,351,472	$ 12,384,260
Denominator:		
Weighted average common shares outstanding	21,722,855	21,326,962
Effect of Dilutive Securities:		
Stock options	463,478	462,260
	22,186,333	21,789,222
Diluted EPS	$ 0.29	$ 0.57

NOTE D — DIVIDENDS

On April 19, 2013, the Company declared a five percent (5%) stock dividend on its outstanding common shares. The 5% stock dividend will be paid on May 14, 2013, to shareholders of record as of April 30, 2013. We paid our first cash dividend in December 2012 but may not pay cash dividends on our common stock in the foreseeable future. While there are currently no restrictions prohibiting us from paying dividends to our shareholders, it is at the discretion of the board of directors whether the Company pays any cash dividends on our common stock in the foreseeable future and will depend on our financial condition, results of operations, capital and legal requirements, and other factors deemed relevant by our board of directors. Earnings are expected to be retained to fund our future operations.

NOTE E — INCOME TAXES

Deferred income taxes reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. In addition, the Company paid various state estimated income taxes for tax year 2013, as well as various state income taxes for tax year 2012.

NOTE F — SHARE-BASED COMPENSATION

The Company accounts for share-based compensation awards and for unvested awards outstanding using the modified prospective application method. Accordingly, we recognized the fair value of the share-based compensation awards as wages in the Consolidated Statements of Earnings on a straight-line basis over the vesting period. We have recognized compensation expense, relative to share-based awards, in wages in the Consolidated Statements of Earnings of approximately $151,000 and $48,000, less than $0.01 per share, for the three months ended March 31, 2013, and 2012, respectively.

As of March 31, 2013, there was approximately $1,027,000 of unrecognized compensation expense, related to our two share-based compensation plans, which the Company expects to recognize over a period of three years.

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

The following discussion and analysis should be read in conjunction with our financial statements and related notes thereto included elsewhere in this Form 10-Q. Portions of this document that are not statements of historical or current fact are forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations, and intentions. The cautionary statements made in this Form 10-Q should be read as applying to all related forward-looking statements wherever they appear in this Form 10-Q. Our actual results could differ materially from those anticipated in the forward-looking statements. Factors that could cause our actual results to differ materially from anticipated results include those discussed in Part II, Item 1A. "RISK FACTORS."

Forward Looking Statements

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this report regarding the Company's strategies and plans for growth are forward-looking statements. These forward-looking statements are often characterized by the terms "may," "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," and other words and terms of similar meanings and do not reflect historical facts. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from such expectations are disclosed in the Company's Securities and Exchange Commission ("SEC") filings, and include, but are not limited to, the dependence upon energy industry spending for seismic services, the unpredictable nature of forecasting weather, the potential for contract delay or cancellation, the potential for fluctuations in oil and natural gas prices, the availability of capital resources, and the current weak economic recovery which could adversely affect our revenues and cash flow if our customers, and/or potential customers, become unable to pay, or must delay payment of, amounts owing to the Company because such customers are not successful in generating revenues or are precluded from securing necessary financing. The forward-looking statements contained herein reflect the current views of the Company's management, and the Company assumes no obligation to update the forward-looking statements or to update the reasons actual results could differ from those contemplated by such forward-looking statements except as required by law.

Executive Overview

TGC Industries, Inc. is a Texas corporation, and with its wholly-owned subsidiary, Eagle Canada, Inc., a Delaware corporation, (collectively "TGC" or the "Company"), is primarily engaged in the geophysical service business of conducting three-dimensional ("3-D") surveys for clients in the oil and natural gas business. TGC's principal business office is located at 101 E. Park Blvd., Suite 955, Plano, Texas 75074 (Telephone: 972-881-1099). TGC's internet address is www.tgcseismic.com. TGC makes available free of charge on its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K as soon as reasonably practicable after filing with, or furnishing such information to, the SEC.

The Company is a leading provider of seismic data acquisition services throughout the continental United States and Canada. We supply seismic data to companies engaged in the exploration and development of oil and natural gas on land and in land-to-water transition areas. Our customers rely on seismic data to identify areas where subsurface conditions are favorable for the accumulation of existing hydrocarbons, to optimize the development and production of hydrocarbon reservoirs, to better delineate existing oil and natural gas fields, and to augment reservoir management techniques. We operated nine seismic crews in the lower 48 states during the first quarter of 2013. We operated six crews in Canada during the first quarter. However, the Canadian market is seasonal, and as a result of the thawing season, we will have limited Canadian activity for the next two quarters starting with the second quarter of 2013.

We acquire geophysical data using the latest in 3-D survey techniques. We introduce acoustic energy into the ground by using vibration equipment or dynamite detonation, depending on the surface terrain and subsurface requirements. The reflected energy, or echoes, is received through geophones, converted into a digital signal at a multi-channel recording unit, and then transmitted to a central recording vehicle. Subsurface requirements dictate the number of channels necessary to perform our services. With our state-of-the-art seismic equipment, including computer technology and multiple channels, we acquire, on a cost effective basis, immense volumes of seismic data that when processed and interpreted produce more precise images of the earth's subsurface. Our customers then use our seismic data to generate 3-D geologic models that help reduce finding costs and improve recovery rates from existing wells.

We provide our seismic data acquisition services primarily to major and independent onshore oil and natural gas exploration and development companies for use in the onshore drilling and production of oil and natural gas in the continental United States and Canada. The main factors influencing demand for seismic data acquisition services in our industry are the level of drilling activity by oil and natural gas companies and the sizes of such companies' exploration and development budgets, which, in turn, depend largely on current and anticipated future crude oil and natural gas prices and depletion rates.

The services we provide to our customers vary according to the size and needs of each customer. Our services are marketed by supervisory and executive personnel who contact customers to determine their needs and respond to customer inquiries regarding the availability of crews. Contacts are based principally upon professional relationships developed over a number of years.

The acquisition of seismic data for the oil and natural gas industry is a highly competitive business. Contracts for such services generally are awarded on the basis of price quotations, crew experience, and the availability of crews to perform in a timely manner, although other factors, such as crew safety performance history and technological and operational expertise are often determinative. Our competitors include companies with financial resources that are significantly greater than our own as well as companies of comparable and smaller size. Our primary competitors are Dawson Geophysical Company, Geo Kinetics, Inc., and CGG-Veritas. These competitors are publicly-traded companies with long operating histories which field numerous crews and work in a number of different regions and terrain. In addition to the previously named companies, we also compete for projects from time to time with smaller seismic companies which operate in local markets with only one or two crews and often specialize in specific regions or type of operations. We believe that our long-term industry expertise, the customer relationships developed over our history, and our financial stability gives us an advantage over most of our competitors in the industry.

Results of Operations

The Company's business is subject to seasonal variations; thus the results of operations for the three months ended March 31, 2013, are not necessarily indicative of a full year's results.

Three Months Ended March 31, 2013, Compared to Three Months Ended March 31, 2012 (Unaudited)

Revenues. Our revenues were $63,204,413 for the three months ended March 31, 2013, compared to $67,045,408 for our record first quarter of 2012, a decrease of 5.7%. This decrease was primarily due to certain land permitting delays, mainly in the Northeast, and the adverse winter weather conditions in parts of the United States during the first two months of 2013. We operated nine crews in the U.S. and six crews in Canada during the first quarter of 2013 compared with our operation of eight crews in the U.S. and seven crews in Canada during the first quarter of 2012.

Cost of services. Our cost of services was $43,232,641 for the three months ended March 31, 2013, compared to $38,548,049 for the same period of 2012, an increase of 12.2%. This increase was primarily attributable to a reserve expense of approximately $1.3 million associated with site clean-up costs related to the end of the Canadian winter season that we took in the first quarter of 2013 that was not taken in the first quarter of 2012; certain land permitting delays, mainly in the Northeast; and the adverse winter weather conditions in parts of the United States during the first two months of this year.

Selling, general, and administrative expenses. Selling, general and administrative ("SG&A") expenses were $2,380,541 for the three months ended March 31, 2013, compared to $2,300,002 for the same period of 2012, an increase of 3.5%. This increase was primarily due to recent staff additions. SG&A expense as a percentage of revenues was 3.8% for the three months ended March 31, 2013, compared with 3.4% for the same period of 2012.

Depreciation and amortization expense. Depreciation and amortization expense was $6,686,369 for the three months ended March 31, 2013, compared to $5,722,599 for the same period of 2012, an increase of 16.8%. This increase was primarily attributable to additions of seismic recording equipment, vibration vehicles, and other equipment and vehicles. Depreciation and amortization expense as a percentage of revenues was 10.6% for the three months ended March 31, 2013 compared to 8.5% for the same period of 2012.

Income from operations. Income from operations was $10,904,862 for the three months ended March 31, 2013 compared to $20,474,758 for the same period of 2012. This decrease was primarily attributable to a decrease in revenues, an increase in cost of services, and an increase in depreciation and amortization expenses discussed above. EBITDA decreased $8,606,126 to $17,591,231 for the three months ended March 31, 2013, from $26,197,357 for the same period of 2012, a decrease of 32.9%. This decrease was a result of those factors mentioned above. For a definition of EBITDA, a reconciliation of EBITDA to net income, and discussion of EBITDA, please refer to the section entitled "EBITDA" found below.

Interest expense. Interest expense was $319,706 for the three months ended March 31, 2013 compared to $242,345 for the same period of 2012, an increase of 31.9%. This increase was primarily attributable to our recent purchases of seismic acquisition equipment.

Income tax expense. Income tax expense was $4,233,684 for the three months ended March 31, 2013, compared to $7,848,153 for the same period of 2012. The effective tax rate was 40% for the three months ended March 31, 2013, compared to approximately 39% for the same period of 2012. See Note E of Notes to Consolidated Financial Statements in Item 1.

EBITDA

We define EBITDA as net income plus interest expense, income taxes, and depreciation and amortization expense. We use EBITDA as a supplemental financial measure to assess:

- the financial performance of our assets without regard to financing methods, capital structures, taxes, or historical cost basis;
- our liquidity and operating performance over time and in relation to other companies that own similar assets and that we believe calculate EBITDA in a manner similar to us; and
- the ability of our assets to generate cash sufficient for us to pay potential interest costs.

We also understand that such data is used by investors to assess our performance. However, EBITDA is not a measure of operating income, operating performance, or liquidity presented in accordance with generally accepted accounting principles. When assessing our operating performance or our liquidity, you should not consider this data in isolation or as a substitute for our net income, cash flow from operating activities, or other cash flow data calculated in accordance with generally accepted accounting principles. EBITDA excludes some, but not all, items that affect net income and operating income, and these measures may vary among other companies. Therefore, EBITDA as presented below may not be comparable to similarly titled measures of other companies. Further, the results presented by EBITDA cannot be achieved without incurring the costs that the measure excludes: interest expense, income taxes, and depreciation and amortization.

The following table reconciles our EBITDA to our net income:

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
	(unaudited)	(unaudited)
Net income	$ 6,351,472	$ 12,384,260
Depreciation and amortization	6,686,369	5,722,599
Interest expense	319,706	242,345

Income tax expense	4,233,684	7,848,153
EBITDA	$ 17,591,231	$ 26,197,357

Liquidity and Capital Resources

Cash Flows

Cash flows provided by operating activities.

Net cash provided by operating activities was $5,271,194 for the three months ended March 31, 2013, compared to net cash used in operations of $374,187 for the same period of 2012. The $5,645,381 increase during the first three months of 2013 from the same period of 2012 was primarily attributable to the change in accounts receivable, partially offset by the decrease in net income, the timing of billings and revenue recognition, the timing of receipt and payment of invoices, federal and state income taxes payable, and the mix of contracts.

Working capital increased $9,127,952 to $21,344,045 as of March 31, 2013, from the December 31, 2012 working capital of $12,216,093. This increase was primarily due to a $2,008,396 increase in trade accounts receivable, a $2,208,877 increase in cost and estimated earnings in excess of billings on uncompleted contracts, a $1,261,753 decrease in trade accounts payable, and a $2,867,148 decrease in billings in excess of costs and estimated earnings on uncompleted contracts.

Cash flows used in investing activities.

Net cash used in investing activities was $516,353 for the three months ended March 31, 2013, and $2,509,933 for the three months ended March 31, 2012. This decrease was primarily due to a decrease of $2,278,647 in cash used for capital expenditures to purchase seismic equipment in the first quarter of 2013 as compared to the first quarter of 2012.

Cash flows used in financing activities.

Net cash used in financing activities was $3,301,830 for the three months ended March 31, 2013, and $2,362,273 for the three months ended March 31, 2012. The increase was due primarily to principal payments on notes payable.

Capital expenditures.

During the three months ended March 31, 2013, the Company purchased $876,185 of vehicles and equipment, primarily to replace similar vehicles and equipment. Cash of $559,335 and $316,850 of capital lease obligations from a vehicle leasing company were used to finance these purchases. Although we do not budget for our capital expenditures, we may purchase additional equipment during 2013 should the demand for our services increase.

Liquidity

Our primary source of liquidity is cash generated from operations and short-term borrowings from commercial banks and equipment lenders. Based on current forecasts, we believe that we have sufficient available cash and borrowing capacity to fund our working capital needs over the next 12 months.

Capital Resources

We have relied on cash generated from operations and short-term borrowings from commercial banks and equipment lenders to fund our working capital requirements and capital expenditures.

The Company has a revolving line of credit agreement with a commercial bank. The borrowing limit under the revolving line of credit agreement is $5,000,000 and was renewed on September 16, 2011, and again on September 16, 2012. The revolving line of credit agreement will expire on September 16, 2013. Our obligations under this agreement are secured by a security interest in our accounts receivable. Interest on the outstanding amount under the line of credit loan agreement is payable monthly at the greater of the prime rate of interest or five percent. As of March 31, 2013, we had no borrowings outstanding under the line of credit loan agreement.

At March 31, 2013, the Company had six outstanding notes payable to commercial banks for equipment purchases. The notes have interest rates between 3.50% and 5.00%, are due in monthly installments between $59,581 and $223,437 including interest, have a total outstanding balance of $21,949,840 and are collateralized by equipment. Three notes payable with interest between 5.33% and 6.00% and monthly payments between $23,740 and $61,997 plus interest were paid off in 2012. One note payable with interest of 6.35% and monthly payments of $50,170 including interest was paid off in February 2013. These notes were collateralized by equipment.

The Company had, at March 31, 2013, two outstanding notes payable to finance companies for corporate insurance. The notes have interest rates between 4.16% and 4.95%, and are due in monthly installments of $16,861 and $17,724 including interest, and have a total outstanding balance of $236,517.

On April 14, 2013, the Company entered into a note payable to a finance company for corporate insurance for $2,908,094. The note has an interest rate of 4.95%, and is due in monthly installments of $329,823 not including interest.

Contractual Obligations

We believe that our capital resources, including cash generated from operations and short-term borrowings from commercial banks and equipment lenders, will be adequate to meet our current operational needs. We believe that we will be able to finance our 2013 capital expenditures through cash flow from operations, borrowings from commercial lenders, and the funds available under our line of credit loan agreement. However, our ability to satisfy working capital requirements, meet debt repayment obligations, and fund future capital requirements will depend principally upon our future operating performance which is subject to the risks inherent in our business, and will also depend on the extent to which the current weak economic recovery adversely affects the ability of our customers, and/or potential customers, to pay promptly amounts owing to the Company under their service contracts with us.

Off-Balance Sheet Arrangements

As of March 31, 2013, we had no off-balance sheet arrangements.

Critical Accounting Policies

A discussion of our critical accounting policies can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and in Note A to this Form 10-Q. There have been no material changes to these policies (including critical accounting estimates and assumptions or judgments affecting the application of those estimates and assumptions) during the first three months of 2013.

Recently Issued Accounting Pronouncements

A discussion of recently issued accounting pronouncements can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. There have been no new accounting pronouncements during the first three months of 2013.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There has been no material change from the information provided in “Item 7A. Quantitative and Qualitative Disclosures about Market Risk” contained in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES.

The Company maintains controls and procedures to ensure that it is able to collect the information it is required to disclose in the reports it files with the SEC and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. Based on an evaluation of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report conducted by the Company’s management, with the participation of the Chief Executive and Chief Financial Officers, the Chief Executive and Chief Financial Officers believe that these controls and procedures are effective to ensure that the Company is able to record, process, summarize, and report information required to be included in reports filed or submitted under the Securities Exchange Act of 1934, as amended, within the required time period. There were no changes in the Company’s internal controls over financial reporting during the quarter ended March 31, 2013, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is a defendant in various legal actions that arose or may arise out of the normal course of business. In our opinion, none of these actions has resulted, or will result, in any significant loss to us.

ITEM 1A. RISK FACTORS.

For a discussion of those “Risk Factors” affecting the Company, you should carefully consider the “Risk Factors” discussed in Part I, under “Item 1A. Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2012, which is herein incorporated by reference. There have been no material changes from those risk factors previously disclosed in such Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS. — None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. — None.

ITEM 4. MINE SAFETY DISCLOSURES. — Not Applicable.

ITEM 5. OTHER INFORMATION. — None.

ITEM 6. EXHIBITS.

The following exhibits are included herein:

EXHIBITS INDEX

EXHIBIT NO.	DESCRIPTION
3.1	Restated Articles of Incorporation (with amendment) as filed with the Secretary of State of Texas on June 20, 2003, filed as Exhibit 3.4 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003, and incorporated herein by reference.
3.2	Bylaws, as amended and restated March 25, 2009, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 31, 2009, and incorporated herein by reference.
*31.1	Certification of Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, promulgated pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, promulgated pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Chief Executive Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, promulgated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, promulgated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Filed herewith.

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.

TGC INDUSTRIES, INC.

Date: May 10, 2013

/s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 10, 2013

/s/ James K. Brata
James K. Brata
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Filed herewith.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Wayne A. Whitener, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TGC Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, James K. Brata, certify that:

1. I have reviewed this report on Form 10-Q of TGC Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ James K. Brata
James K. Brata
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

Certification of
Chief Executive Officer
of TGC Industries, Inc. Pursuant to
18 U.S.C. Section 1350, as adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

This certification is furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accompanies the quarterly report on Form 10-Q (the “Form 10-Q”) for the quarter ended March 31, 2013 of TGC Industries, Inc. (the “Company”). I, Wayne A. Whitener, President and Chief Executive Officer of the Company, certify that, to the best of my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: May 10, 2013

/s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

EXHIBIT 32.2

Certification of
Chief Financial Officer
of TGC Industries, Inc. Pursuant to
18 U.S.C. Section 1350, as adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

This certification is furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended March 31, 2013 of TGC Industries, Inc. (the "Company"). I, James K. Brata, Vice President and Chief Financial Officer of the Company, certify that, to the best of my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: May 10, 2013

/s/ James K. Brata
James K. Brata
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.