

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (date of earliest event reported): **November 3, 2016**

DAWSON GEOPHYSICAL COMPANY

(Exact name of Registrant as specified in its charter)

TEXAS
(State of incorporation
or organization)

001-32472
(Commission file number)

74-2095844
(I.R.S. employer identification number)

**508 West Wall, Suite 800
Midland, Texas 79701**
(Address of principal executive offices) (Zip Code)

(432) 684-3000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On November 3, 2016, Dawson Geophysical Company (the "Company") issued a press release reporting its unaudited financial results for the quarter ended September 30, 2016, the third quarter of the Company's 2016 fiscal year.

The Company hereby incorporates by reference into this Item 2.02 the information set forth in such press release, a copy of which is furnished as Exhibit 99.1 to this Current Report. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein are deemed to be furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be "furnished" and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

EXHIBIT NUMBER	DESCRIPTION
99.1	Press release, dated November 3, 2016.

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.

DAWSON GEOPHYSICAL COMPANY

Date: November 3, 2016

By: /s/ James K. Brata
James K. Brata
Executive Vice President, Chief Financial Officer,
Secretary and Treasurer

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
99.1	— Press release, dated November 3, 2016.

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NEWS RELEASE

Dawson Geophysical Company
508 W. Wall, Suite 800
Midland, TX 79701

**Company contact:**

Stephen C. Jumper, CEO and President
James K. Brata, Chief Financial Officer
(800) 332-9766
www.dawson3d.com

**DAWSON GEOPHYSICAL REPORTS
THIRD QUARTER 2016 RESULTS**

MIDLAND, Texas, November 3, 2016/PR Newswire/Dawson Geophysical Company (NASDAQ: DWSN) (the "Company") today reported unaudited financial results for its third quarter ended September 30, 2016.

For the quarter ended September 30, 2016, the Company reported revenues of \$28,122,000 as compared to \$62,498,000 for the quarter ended September 30, 2015. For the third quarter of 2016, the Company reported a net loss of \$12,416,000 or \$0.57 loss per share attributable to common stock, as compared to a net loss of \$2,870,000 or \$0.13 loss per share attributable to common stock for the third quarter of 2015. The Company reported negative EBITDA of \$3,403,000 for the quarter ended September 30, 2016 compared to EBITDA of \$7,806,000 for the quarter ended September 30, 2015.

During the third quarter of 2016, the Company operated four to five crews in the United States for most of the quarter. Utilization of several crews was unfavorably impacted by inclement weather conditions in several areas of operation late in the first quarter that continued into the early part of the second quarter, and again during the latter stages of the second quarter that continued into the beginning of the third quarter. In addition to inclement weather conditions, we experienced several client-directed delays over the last several months.

Stephen C. Jumper, President and Chief Executive Officer, said, "Demand for seismic data acquisition services in North America and worldwide continues to be soft in response to low and uncertain oil prices and reduced client expenditures. During the quarter ended September 30, 2016, oil prices averaged approximately \$45 per barrel, starting the quarter at just over \$49 per barrel, dropping to a quarterly low below \$40 per barrel on August 2, and ending the quarter at just under \$48 per barrel for West Texas Intermediate. While encouraging, it remains to be determined if the recent strengthening in oil prices can be sustained, and the price increases have yet to result in a meaningful increase in demand for our services. As we experienced uncertainty in oil and natural gas prices during our first two quarters of 2016, our client base continues to take a cautious approach to their capital spending. Based on currently available information, seismic service demand levels and the anticipated winter season in Canada, we believe we will operate five to seven crews through the first quarter of 2017. Visibility beyond the first quarter of 2017 remains unclear. In response to these factors, we will continue our on-going effort to control costs and maintain a strong balance sheet, our experienced personnel and our position as a leading onshore seismic data acquisition company in North America."

Capital expenditures for the first nine months of 2016 were \$6,198,000, primarily composed of replacement recording channels lost in the spring 2015 and 2016 floods in southeast Texas and Oklahoma. These expenditures were funded in part by insurance proceeds received related to those losses. The Company anticipates a capital budget for 2016 to be at maintenance levels below the \$10 million approved by our board of directors. The Company's balance sheet remains strong with \$62,513,000 of cash and short term investments, \$63,884,000 of working capital and \$3,993,000 of debt and capital lease obligations as of September 30, 2016.

Jumper continued, "As mentioned during our second quarter call, 2016 will be a difficult year, and likely the most difficult in my thirty-plus years of experience with the Company and in the industry. That said, the price of oil is up over 70% from the decade low reached earlier this year on February 11. Although we have not seen a meaningful

increase in proposals as previously discussed, this positive development is very encouraging. The oil market appears to be slowly working through a rebalancing phase. We believe oil and gas companies will gradually start to put capital back to work, and seismic surveys should play an important role in helping these companies maximize their production economics. Our continuing commitment to maintain a strong balance sheet while operating the largest fleet of state-of-the-art land-based seismic equipment with the most experienced personnel in the industry uniquely positions Dawson Geophysical to successfully respond to the market as conditions improve."

On February 11, 2015, legacy Dawson Geophysical Company and legacy TGC Industries, Inc. consummated their previously announced strategic business combination. The merger transaction was accounted for as a reverse acquisition with legacy Dawson Geophysical being deemed the accounting acquirer with the results of legacy TGC Industries, Inc. being reflected in the Company's reported consolidated financial results only for periods from and after February 11, 2015. The merged companies adopted a calendar fiscal year ending December 31. Due to the foregoing, comparative financial results that include periods prior to February 11, 2015 are not comparable to financial results that include periods from and after February 11, 2015. Additional information regarding the business combination and its impact on the Company's financial position are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which was filed with the Securities and Exchange Commission on March 16, 2016 and includes the Company's audited consolidated financial statements (i) as of and for the years ended December 31, 2015 and September 30, 2014, (ii) for the three months ended December 31, 2014 and (iii) for the year ended September 30, 2013.

Conference Call Information

Dawson Geophysical Company will host a conference call to review its third quarter 2016 financial results on November 3, 2016 at 9 a.m. CT. Participants can access the call at 1-888-397-5362 (US) and 1-719-325-2248 (Toll/International). To access the live audio webcast or the subsequent archived recording, visit the Dawson website at www.dawson3d.com. Callers can access the telephone replay through December 4, 2016 by dialing 1-844-512-2921 (Toll-Free) and 1-412-317-6671 (Toll/International). The passcode is 7667218. The webcast will be recorded and available for replay on Dawson's website until December 4, 2016.

About Dawson

Dawson Geophysical Company is a leading provider of North America onshore seismic data acquisition services with operations throughout the continental United States and Canada. Dawson acquires and processes 2-D, 3-D and multi-component seismic data solely for its clients, ranging from major oil and gas companies to independent oil and gas operators, as well as providers of multi-client data libraries.

Non-GAAP Financial Measures

In an effort to provide investors with additional information regarding the Company's unaudited results as determined by GAAP, the Company has included in this press release information about the Company's EBITDA, a non-GAAP financial measure as defined by Regulation G promulgated by the U.S. Securities and Exchange Commission. The Company defines EBITDA as net income (loss) plus interest expense, interest income, income taxes, depreciation and amortization expense. The Company uses EBITDA as a supplemental financial measure to assess:

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

The Company also understands that such data are used by investors to assess the Company's performance. However, the term EBITDA is not defined under generally accepted accounting principles, and EBITDA is not a measure of

operating income, operating performance or liquidity presented in accordance with generally accepted accounting principles. When assessing the Company's operating performance or liquidity, investors and others should not consider this data in isolation or as a substitute for net income (loss), cash flow from operating activities or other cash flow data calculated in accordance with generally accepted accounting principles. In addition, the Company's EBITDA may not be comparable to EBITDA or similar titled measures utilized by other companies since such other companies may not calculate EBITDA in the same manner as the Company. Further, the results presented by EBITDA cannot be achieved without incurring the costs that the measure excludes: interest, taxes, depreciation and amortization. A reconciliation of the Company's EBITDA to its net loss is presented in the table following the text of this press release.

Forward-Looking Statements

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions that statements in this press release which are forward-looking and which provide other than historical information involve risks and uncertainties that may materially affect the Company's actual results of operations. Such forward looking statements are based on the beliefs of management as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward looking statements as a result of certain factors. These risks include, but are not limited to, dependence upon energy industry spending; the volatility of oil and natural gas prices; changes in economic conditions; the potential for contract delays; reductions or cancellations of service contracts; limited number of customers; credit risk related to our customers; reduced utilization; high fixed costs of operations and high capital requirements; operational disruptions; industry competition; external factors affecting the Company's crews such as weather interruptions and inability to obtain land access rights of way; whether the Company enters into turnkey or dayrate contracts; crew productivity; the availability of capital resources; and disruptions in the global economy. A discussion of these and other factors, including risks and uncertainties, is set forth in the Company's Annual Report on Form 10-K that was filed with the Securities and Exchange Commission on March 16, 2016. The Company disclaims any intention or obligation to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DAWSON GEOPHYSICAL COMPANY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating revenues	\$ 28,122,000	\$ 62,498,000	\$ 103,263,000	\$ 179,555,000
Operating costs:				
Operating expenses	28,132,000	50,195,000	94,203,000	158,385,000
General and administrative	3,656,000	4,999,000	13,247,000	18,142,000
Depreciation and amortization	10,591,000	11,966,000	33,967,000	35,569,000
	42,379,000	67,160,000	141,417,000	212,096,000
Loss from operations	(14,257,000)	(4,662,000)	(38,154,000)	(32,541,000)
Other income (expense):				
Interest income	92,000	35,000	226,000	84,000
Interest expense	(71,000)	(155,000)	(239,000)	(492,000)
Other income	263,000	502,000	1,829,000	515,000
Loss before income tax	(13,973,000)	(4,280,000)	(36,338,000)	(32,434,000)
Income tax benefit	1,557,000	1,410,000	3,733,000	11,095,000
Net loss	\$ (12,416,000)	\$ (2,870,000)	\$ (32,605,000)	\$ (21,339,000)

Other comprehensive (loss) income:				
Net unrealized (loss) income on foreign exchange rate translation, net	\$ (48,000)	\$ (890,000)	\$ 422,000	\$ (964,000)
Comprehensive loss	<u>\$ (12,464,000)</u>	<u>\$ (3,760,000)</u>	<u>\$ (32,183,000)</u>	<u>\$ (22,303,000)</u>
Basic loss per share attributable to common stock	<u>\$ (0.57)</u>	<u>\$ (0.13)</u>	<u>\$ (1.51)</u>	<u>\$ (1.05)</u>
Diluted loss per share attributable to common stock	<u>\$ (0.57)</u>	<u>\$ (0.13)</u>	<u>\$ (1.51)</u>	<u>\$ (1.05)</u>
Weighted average equivalent common shares outstanding	<u>21,622,349</u>	<u>21,571,513</u>	<u>21,603,065</u>	<u>20,386,202</u>
Weighted average equivalent common shares outstanding -assuming dilution	<u>21,622,349</u>	<u>21,571,513</u>	<u>21,603,065</u>	<u>20,386,202</u>

DAWSON GEOPHYSICAL COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2016 (unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,263,000	\$ 37,009,000
Short-term investments	44,250,000	21,000,000
Accounts receivable, net	12,772,000	35,700,000
Prepaid expenses and other assets	3,977,000	6,150,000
Total current assets	79,262,000	99,859,000
Property and equipment, net	117,821,000	147,567,000
Intangibles	499,000	361,000
Total assets	<u>\$ 197,582,000</u>	<u>\$ 247,787,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,981,000	\$ 8,401,000
Accrued liabilities:		
Payroll costs and other taxes	1,928,000	1,074,000
Other	3,781,000	4,604,000
Deferred revenue	1,760,000	6,146,000
Current maturities of notes payable and obligations under capital leases	3,928,000	8,585,000
Total current liabilities	15,378,000	28,810,000
Long-term liabilities:		
Notes payable and obligations under capital leases less current maturities	65,000	2,106,000
Deferred tax liabilities, net	1,971,000	5,319,000
Other accrued liabilities	1,992,000	1,834,000
Total long-term liabilities	4,028,000	9,259,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock-par value \$1.00 per share; 4,000,000 shares authorized, none outstanding	—	—
Common stock-par value \$0.01 per share; 35,000,000 shares authorized, 21,680,934 and 21,629,310 issued, and 21,632,489 and 21,580,865 shares outstanding at September 30, 2016 and December 31, 2015, respectively	217,000	216,000
Additional paid-in capital	142,909,000	142,269,000
Retained earnings	36,452,000	69,057,000
Treasury stock, at cost; 48,445 shares at September 30, 2016 and December 31, 2015	—	—
Accumulated other comprehensive loss, net	(1,402,000)	(1,824,000)
Total stockholders' equity	178,176,000	209,718,000
Total liabilities and stockholders' equity	<u>\$ 197,582,000</u>	<u>\$ 247,787,000</u>

Reconciliation of EBITDA to Net loss

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(in thousands)		(in thousands)	
Net loss	\$ (12,416)	\$ (2,870)	\$ (32,605)	\$ (21,339)
Depreciation and amortization	10,591	11,966	33,967	35,569
Interest (income) expense, net	(21)	120	13	408
Income tax benefit	(1,557)	(1,410)	(3,733)	(11,095)
EBITDA	<u>\$ (3,403)</u>	<u>\$ 7,806</u>	<u>\$ (2,358)</u>	<u>\$ 3,543</u>

Reconciliation of EBITDA to Net Cash (Used in) Provided by Operating Activities

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(in thousands)		(in thousands)	
Net cash (used in) provided by operating activities	\$ (1,798)	\$ 5,170	\$ 14,426	\$ 17,878
Changes in working capital and other items	(1,367)	2,696	(16,113)	(13,541)
Noncash adjustments to net loss	(238)	(60)	(671)	(794)
EBITDA	<u>\$ (3,403)</u>	<u>\$ 7,806</u>	<u>\$ (2,358)</u>	<u>\$ 3,543</u>
