U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2002
Commission File Number 0-14908

TGC INDUSTRIES, INC.
(Name of small business issuer in its charter)

Texas	74-2095844
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1304 Summit, Suite 2, Plano, Texas	75074
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: (972) 881-1099

Securities registered under Section 12(b) of the Exchange Act: NONE

Securities registered under Section 12(g) of the Exchange Act:
Common Stock ($.30 Par Value)
Series C 8% Convertible Exchangeable Preferred Stock ($1.00 Par Value)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 __

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. (X)

State issuer's revenues (from continuing operations) for its most recent fiscal year: $6,262,206

State the aggregate market value of the registered voting stock (Common Stock, $.30 par value and Series C 8% Convertible Exchangeable Preferred Stock, $1.00 par value) held by non-affiliates computed by reference to the price at which the stock was sold on March 20, 2003: $269,420

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

Class	Outstanding as of March 20, 2003
Common Stock ($.30 Par Value)	5,515,064

Documents Incorporated by Reference

Document	Part of the Form 10-KSB Into Which the Document is Incorporated
Portions of the Proxy Statement for Annual Meeting of shareholders to be held on June 12, 2003	Items 9 through 12 of Part III

Part I

ITEM 1. DESCRIPTION OF BUSINESS.

TGC Industries, Inc. ("TGC" or the "Company") is a Texas corporation engaged in the geophysical service business, primarily conducting Three-D ("3-D") surveys for clients in the oil and gas business. TGC's principal business office is located at 1304 Summit Avenue, Suite 2, Plano, Texas 75074. (Telephone: 972-881-1099).

History

In April 1980, Supreme Industries, Inc., formerly ESI Industries, Inc., ("Supreme") formed a wholly owned subsidiary that acquired certain equipment, instruments, and related supplies of Tidelands Geophysical Co., Inc. ("Tidelands"), a Houston-based corporation that had been organized in 1967 and was engaged in the business of conducting seismic, gravity, and magnetic surveys under contracts to companies in the exploration for oil and gas. In July 1986, Tidelands' name was changed to TGC Industries, Inc. ("TGC"). On June 30, 1986, the Board of Directors of Supreme and TGC approved a spin-off whereby substantially all of the shares of TGC owned by Supreme were distributed as a stock dividend to Supreme security holders.

On July 30, 1993, TGC acquired, through a wholly owned subsidiary, Chase Packaging Corporation ("Chase"), a specialty packaging business, principally supplying products to the agricultural industry, through the purchase of certain assets of the Chase Packaging division of Union Camp Corporation.

In June 1996, the Board of Directors of TGC approved the spin-off of Chase, effective July 31, 1996, whereby all of the shares of Chase owned by TGC were distributed as a stock dividend to the shareholders of TGC under the terms of the spin-off transaction. Pursuant to the terms of the spin-off, and following clearance by the Securities and Exchange Commission on March 7, 1997, the holders of TGC's Common Stock and, on an as-if-converted basis, the holders of TGC's Series C 8% Convertible Exchangeable Preferred Stock ("Series C Preferred Stock") received the dividend distribution of Chase Common Stock.

During July 1996, the Company issued 1,150,350 shares of Series C Preferred Stock in a private placement offering with gross proceeds of approximately $5,800,000.

The Series C Preferred Stock sold in the private placement entitles the holder to receive cumulative cash dividends as, when and if declared by the Board of Directors at a rate of 8% per annum prior to any dividend or distribution in cash or other property on any class or series of stock junior to the Series C Preferred Stock. The dividends on the Series C Preferred Stock are payable as, when and if declared by the Board of Directors on

January 1 and July 1 of each year, commencing January 1, 1997. The dividend on the Series C Preferred Stock is cumulative.

From the proceeds of the private placement, TGC made a capital contribution to Chase of $2,716,403 to facilitate the spin-off; and TGC retained $2,000,000 for the purchase of state-of-the-art geophysical recording equipment. Under the terms of the spin-off, the effective date of which was July, 31, 1996, TGC completed the spin-off of the business and assets relating to the Chase operations, except TGC retained the Portland, Oregon facility and canceled all inter-company debt owed by Chase to TGC. The distribution of Chase Stock was March 7, 1997. On March 18, 1997, TGC sold the Portland, Oregon facility for $2,430,000 and applied such proceeds in satisfaction of the mortgage indebtedness with respect to such facility and in satisfaction of a debt obligation owing by TGC to Chase to pay to Chase any such proceeds in excess of the amount of the mortgage indebtedness.

As of July 31, 1996, the effective date of the spin-off, TGC Industries, Inc.'s only business has been the geophysical service business, primarily conducting Three-D ("3-D") surveys for clients in the oil and gas business.

On December 13, 1999, WEDGE Energy Services, L.L.C., ("WEDGE Energy") an affiliate of WEDGE Group Incorporated, a diversified Houston, Texas firm with interests in oil and gas services, purchased a $2,500,000 8.5% Convertible Subordinated Debenture, Series B due December 1, 2009 (the "Debenture"), of the Company. Proceeds of the financing together with other available funds were utilized for working capital and an expanded capital expenditure program. The Debenture, at WEDGE's option, could be converted into either preferred stock or common at a price of $1.15 per share.

The holders of the Company's outstanding Series C Preferred Stock, voted at the Annual Meeting held May 11, 2000, to consent to a new series of 8.5% Senior Convertible Preferred Stock ("Senior Preferred Stock"). The affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of Series C Preferred Stock approved the new series of Senior Preferred Stock. As a result of the consent to the new series of Senior Preferred Stock by the Series C Preferred Stock shareholders and in accordance with the terms of the Debenture Agreement, WEDGE Energy, on May 17, 2000, converted its Debenture plus accrued interest into 2,252,445 shares of Senior Preferred Stock. Per the Debenture Agreement, dividends on the Senior Preferred Stock have been paid by the issuance of additional shares of Senior Preferred Stock through

December 1, 2002. As a result, 530,263 shares of Senior Preferred Stock have been issued to WEDGE Energy as dividend payments from June 1, 2000, through December 1, 2002.

General Description of the Company's Business

Geophysical Business

Since its formation, TGC has engaged in the domestic geophysical services business principally through conducting seismic surveys and to a lesser extent through sales of gravity information from the Company's Data Bank to companies engaged in the exploration for oil and gas in the United States. Geophysics is the study of the structure and composition of the earth's interior and involves the measuring and interpretation of the earth's properties with

appropriate instruments. Such studies are generally conducted by means of surveys performed by field crews employing seismic, gravity, or magnetic instruments to acquire data that is then interpreted by various means to obtain useful information for oil and gas companies. The two survey techniques used by the Company in acquiring geophysical data are seismic and gravity. Land seismic surveys are the Company's principal method of data acquisition and are by far the most widely used geophysical technique. TGC's seismic crews use dynamite and vibroseis as energy sources for such surveys. The processing and interpretation of seismic data acquired by TGC are transmitted by the Company to data processing centers (not owned or operated by the Company) designated by the clients for processing.

The Company's Data Bank contains gravity data, and to a lesser extent magnetic data, from many of the major oil and gas producing areas located within the United States. TGC does not have a seismic data bank. Data Bank information has been amassed through participatory surveys as well as speculative surveys funded by TGC alone. All data and interpretations may be licensed to customers at a fraction of the cost of newly acquired data.

In January 2002, the Company entered into a two year Joint Venture Agreement (the "Joint Venture") with a gravity data processing center, (the "Processing Center"). Per the Joint Venture the Company will furnish the Processing Center with approximately 100,000 stations of the Company's digitized gravity data, and the Processing Center, using industry standards along with the latest technological gravity data processing software and techniques will process the digitized data producing a data set (the "Data Set"). During the term of this Agreement the Company and the Processing Center will endeavor to market and license the Data Set. In consideration for the Processing Center's unique state-of-the-art gravity processing software and techniques, upon licensing by the Company or the Processing Center of any or all of the Data Set, the Company agrees to pay the Processing Center a twenty percent commission. Upon expiration of the Joint Venture, the Data Set and all related information provided the Processing Center will be returned to the Company. Revenue from the licensing of gravity data represents a small portion of the Company's total revenue, however, because the Data Bank has been fully amortized and only minimal expenses are incurred with each license agreement, revenues from the licensing of gravity data are very profitable.

As a service business, the Company's domestic geophysical services business is not dependent upon the supply of raw materials or any other products and, therefore, the Company does not have arrangements with any raw material suppliers.

The Company has the capability of utilizing two seismic crews to perform its geophysical services and, in any given period, these crews may generate a significant portion of their respective revenues from one or more clients. For the year ended December 31, 2002, three customers accounted for thirty-nine percent (39%), twelve percent (12%) and eleven percent (11%) of the Company's revenue, respectively. The Company enters into a general or master agreement with each of its clients for the provision of geophysical services and a supplementary agreement (which becomes a part of the general agreement) with respect to each particular job that the Company performs for a client. Under the terms of such agreements, the Company generally contracts to supply all personnel, transportation and equipment to perform seismic surveys for a given prospect for a fixed price plus reimbursement for certain third party charges. The Company generally bills its clients on a progressive basis over the term of the contract. The Company is generally obligated to maintain insurance against injury or damage to persons or equipment arising from the performance of its services and to indemnify its customers against all claims and liability arising therefrom. Management believes this insurance coverage is sufficient.

Beginning approximately in mid 1998, activity in the U.S. Geophysical Industry declined significantly due to a decline in the price of oil. As a result, TGC reduced its operations to one crew in 1999 and continued to operate one crew during 2000. TGC experienced an increase in demand for its services in 2001 securing a sufficient number of contracts to deploy a second seismic crew during the second quarter of 2001. TGC's other seismic crew was employed the majority of 2001. However, this increased level of activity did not continue into 2002, and TGC reduced its operations to one crew in 2002. This lower level of activity in 2002 resulted in a significant decline in revenues and an increase in the net loss in 2002 compared with 2001. Excess capacity remains in the land-based geophysical service industry and pricing continues to be very competitive. Company management continues to monitor expenses and, where possible, implement cost containment programs to remain highly competitive through this continued period of reduced industry activity. During 2001, there were a number of consolidations and mergers in the geophysical industry. In addition, a major seismic competitor announced in late 2002 it was shutting down all its U.S. and Canadian land-based seismic operations. Management is hopeful that with fewer seismic crews available in the marketplace, TGC will be able to secure contracts with improved margins thereby improving its future performance.

In February 2002, the Company entered into an agreement with a corporation to dispose of the Company's shot hole drilling equipment, and to use the proceeds of the disposal to acquire five buggy-mounted Vibroseis units and purchase certain additional equipment needed to make the Vibroseis equipment compatible with the Company's recording equipment. A one-year $30,000 note payable to the corporation financed this additional equipment. The acquisition of this equipment opens up an opportunity in an existing market, in which the Company has not participated, thereby increasing its bidding opportunities. Though there can be no assurance, management believes the Company will be successful in securing its share of existing business in this market thereby improving its performance.

As of December 31, 2002, TGC employed 56 employees, supporting one seismic crew with a total of 49 crew members and direct support members. The Company believes its relationship with its employees to be satisfactory.

ITEM 2. DESCRIPTION OF PROPERTY.

The Company's headquarters are in leased facilities located in Plano, Texas from which it conducts all its current operations. These facilities

include 8,000 square feet of office and warehouse space and an outdoor storage area of approximately 10,000 square feet. The monthly rent is $5,505. This facility is used to house corporate offices and serves as the headquarters for the geophysical business. The Company is not responsible for insuring the facilities. The condition of the Company's facilities is good and TGC management believes that these properties are suitable and adequate for the Company's foreseeable needs.

ITEM 3. LEGAL PROCEEDINGS.

The Company is a defendant in various legal actions that arose out of the normal course of business. In the opinion of Management, none of the actions will result in any significant loss to the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted by the Company, during the fourth quarter of the fiscal year ended December 31, 2002, to a vote of the Company's security holders, through the solicitation of proxies or otherwise.

Part II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Common Stock traded on the NASDAQ SmallCap Market under the symbol "TGCI" from September 25, 1994, until May 24, 2002. As previously reported, the Company was notified by NASDAQ of potential delisting of the Company's Common Stock for: (1) having failed to maintain a minimum market value of publicly held shares of $1,000,000 and (2) having failed to equal or exceed the minimum bid price requirement of $1 per share, in each case for thirty (30) consecutive trading days. The Company, as a condition to continued listing of its securities on the SmallCap Market, was required to satisfy these requirements for a minimum of ten (10) consecutive trading days by May 15, 2002 and August 13, 2002, respectively. The Company's Common Stock did not trade at sufficient levels, for ten (10) consecutive trading days, to comply with the May 15, 2002 deadline. As a result, the Company's securities were delisted from NASDAQ SmallCap Market at the opening of business on May 24, 2002 and now trade over-the-counter on the National Association of Securities Dealers, Inc. Over-The-Counter Bulletin Board System. The Company maintains its trading symbol "TGCI".

The number of shareholders of record of TGCI's Common Stock as of March 20, 2003, was 115. Due to the number of shares held in nominee or street name, the Company believes that there are a significantly greater number of beneficial owners of its Common Stock. As of such date, CEDE & CO. held 4,184,070 shares in street name. On March 20, 2003, TGC's Common Stock was quoted at a closing bid price of $.09. High and low sales prices of TGC's Common Stock for the period of January 1, 2001, to December 31, 2002, were as follows:

Sales Price of TGC Common Stock

Date	High	Low
October 1 -- December 31, 2002	.140	.063
July 1 -- September 30, 2002	.230	.150
April 1 -- June 30, 2002	.400	.200
January 1 -- March 31, 2002	.550	.180
October 1 -- December 31, 2001	.750	.150
July 1 -- September 30, 2001	1.000	.500
April 1 -- June 30, 2001	1.590	.760
January 1 -- March 31, 2001	1.250	.625

The above sale quotations were furnished to TGC by the Pink Sheets LLC.

At a November 30, 2001 meeting, the Company's Board of Directors, in an effort to encourage the conversion of Series C Preferred Stock into shares of Common Stock, voted to reduce, on a post-Reverse Split basis, the conversion price of the Series C Preferred Stock from $2.00 per share of Common Stock to $1.61 per share of Common Stock. In addition, the Board of Directors voted to extend the conversion price increase date of the Series C Preferred Stock from the close of business on December 31, 2001 until the close of business on January 31, 2002. As a result, the conversion price was $1.61 per share of Common Stock if converted prior to the close of business on January 31, 2002. After January 31, 2002, and prior to the close of business on December 31, 2002, the conversion price per share of Common Stock was $3.75. Thereafter, the conversion price per share of Common Stock is $6.00.

As of December 31, 2002, a total of 1,092,250 shares of Series C Preferred Stock had been converted into shares of Common Stock. As a result, 58,100 shares of Series C Preferred Stock remained outstanding at December 31, 2002.

Dividends are payable on the Company's Common Stock at the discretion of the Board of Directors. In light of the working capital needs of the Company, it is unlikely that cash dividends will be declared and paid on the Company's Common Stock in the foreseeable future.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS.

Results of operations

Revenues for the year ended December 31, 2002 were $6,262,206 compared with revenues of $10,101,117 for the year ended December 31, 2001. The Company incurred a net loss, before dividend requirements on preferred stock, of $(1,711,509) for the year ended December 31, 2002 compared with a net loss,

before dividend requirements on preferred stock of $(1,148,843) for the year ended December 31, 2001.

Due to continued difficult industry conditions in 2002, TGC returned to a one-crew operation in 2002. The Company had operated two crews during the second half of 2001. As a result, TGC experienced a significant decline in revenues in 2002 from 2001. This decline in revenue caused TGC's cost of services, as a percentage of revenue, to increase to 112.2% in 2002 from 102.1% in 2001. Selling, general and administrative expense decreased to $884,572 in 2002 from $916,258 in 2001. This decrease was due primarily to a reduction in selling expense associated with the lower level of revenues. Interest expense decreased to $16,807 in 2002 from $18,067 in 2001. This decrease was attributable to the lower level of debt in 2002 compared with 2001. In September 2002, the Company issued 1,500,000 detachable stock warrants, with a value of $45,000, to certain investors in exchange for their financial commitment for a line of credit that expired December 31, 2002, in an amount up to $300,000.

For over thirty years, TGC has successfully served the geophysical industry. However, due to a significant decline in spending for seismic services, that began in mid 1998, by a number of oil and gas clients as a result of significantly lower oil prices, TGC reduced its operations to one seismic acquisition crew in 1999. TGC continued to operate at this one crew level during 2000. Early in 2001, TGC experienced an increase in demand for its services securing a sufficient number of contracts to deploy a second seismic crew during the second quarter of 2001. Operating at a two-crew level enabled TGC to significantly increase revenues and decrease its losses in 2001. However, TGC was unable to secure sufficient contracts to maintain its two-crew operation returning to the one-crew level in 2002. As a result, TGC experienced a significant decline in revenues and a greater net loss in 2002. Excess capacity remains in the land-based geophysical service industry and pricing continues to be very competitive. Company management continues to monitor expenses and, where possible, implement cost containment programs to remain highly competitive through this continued period of reduced industry activity. During 2001, there were a number of consolidations and mergers in the geophysical industry and in late 2002 a major seismic competitor announced it was shutting down all its United States and Canadian land-based seismic operations. Though there can be no assurance, management is hopeful that with fewer seismic crews available in the marketplace, TGC will be able to secure contracts with improved margins thereby improving its future performance.

In January 2002, the Company entered into a two year Joint Venture Agreement (the "Joint Venture") with a gravity data processing center, (the "Processing Center"). Per the Joint Venture the Company will furnish the Processing Center with approximately 100,000 stations of the Company's digitized gravity data, and the Processing Center, using industry standards along with the latest technological gravity data processing software and techniques will process the digitized data producing a data set (the "Data Set"). During the term of this Agreement the Company and the Processing Center will endeavor to market and license the Data Set. In consideration for the Processing Center's unique state-of-the-art gravity processing software and techniques, upon licensing by the Company or the Processing Center of any or all of the Data Set, the Company agrees to pay the Processing Center a twenty percent commission. Upon expiration of the Joint Venture, the Data Set and all related information provided the Processing Center will be returned to the Company. Revenue from the licensing of gravity data represents a small portion of the Company's total revenue, however, because the Data Bank has been fully amortized and only minimal expenses are incurred with each license agreement, revenues from the licensing of gravity data are very profitable.

In February 2002, the Company entered into an agreement with a corporation to dispose of the Company's shot hole drilling equipment, and to use the proceeds of the disposal to acquire five buggy-mounted Vibroseis units and purchase certain additional equipment needed to make the Vibroseis equipment compatible with the Company's recording equipment. A one-year $30,000 note payable to the corporation financed this additional equipment. The acquisition of this equipment opens up an opportunity in an existing market, in which the Company has not participated, thereby increasing its bidding opportunities. Though there can be no assurance, management believes the Company will be successful in securing its share of existing business in this market thereby improving its performance.

At December 31, 2002, the Company had net operating loss carry forwards of approximately $9,000,000 available to offset future taxable income, which expire at various dates through 2022.

Financial Condition

Cash of $404,100 was used in operations for the twelve months ended December 31, 2002, compared with cash provided by operations of $1,435,767 for the same period of the prior year. The primary reason for the decrease in cash from operations in 2002 compared with 2001 was a significant decline in the level of operations. This reduced level of operations resulted in decreases in revenues, accounts receivable, accounts payable, billings in excess of costs and estimated earnings on uncompleted contracts and an increase in the net loss. Net cash of $70,377 was used in investing activities during 2002. This was the result of capital expenditures to replace certain vehicles and equipment that had become worn-out during 2002. Principal payments of debt obligations in the amount of $67,731, principal payments on capital lease obligations of $128,633, and proceeds of $150,000 from the issuance of debt resulted in net cash of $46,364 being used in financing activities in 2002. The capital leases entered into in 2002 were primarily for replacement of certain equipment and additional surveying equipment. The terms of these capital leases range in length from six months to three years. The Company anticipates that available funds, together with anticipated cash flows generated from future operations will be sufficient to meet the Company's minimum lease and note payment obligations.

Working capital decreased $348,170 to a deficit of $135,814 at December 31, 2002 from the December 31, 2001, working capital of $212,356. The Company's current ratio decreased to .9 to 1.0 at December 31, 2002 from 1.1 to 1.0 at December 31, 2001. Stockholders' equity decreased to $1,360,274 at December 31, 2002, from the December 31, 2001, balance of $3,026,783 due primarily to the net loss incurred in 2002 of $1,711,509.

In September 2001, the Company entered into a three-year operating lease for the Company's headquarters facility located in Plano, Texas. The Company anticipates that available funds, together with anticipated cash flows generated from future operations will be sufficient to meet the Company's minimum rental payment obligations that are as follows: $67,041 in 2003, and $52,488 in 2004.

During 2001, the Company entered into an unsecured revolving line of credit arrangement with a bank, providing for borrowings of up to $125,000. The facility bears interest at prime plus 1% (5.25% at December 31, 2002) per annum, and matures in October 2003. The Company had no borrowings under this arrangement at December 31, 2002 or 2001, but had committed the availability to irrevocable letters of credit totaling $125,000 which also expire in October 2003. Therefore, the Company had no borrowing availability under this line of credit at December 31, 2002 or 2001. The letters of credit, with an insurance company as beneficiary, are being used to guarantee continuing seismic insurance bonds totaling $125,000, issued by the insurance company to two states in which the Company performs seismic surveys. In the opinion of management, the chances that the insurance company will draw on the letters of credit are remote.

In 2000, the Company issued 2,252,445 shares of 8.5% Senior Convertible Preferred Stock ("Senior Preferred Stock") to a debt holder in consideration for an outstanding debenture plus accrued interest, and in accordance with the terms of the Debenture Agreement, issued 103,490 additional shares of Senior Preferred Stock to the Senior Preferred stockholder as payment for 2000 dividends. At the election of the Senior Preferred stockholder, the Company issued 100,127, 104,383, 108,819, and 113,444 additional shares of Senior Preferred Stock to the Senior Preferred stockholders as payment for the June 1, 2001, December 1, 2001, June 1, 2002 and December 1, 2002 dividends, respectively, resulting in 2,782,708 shares outstanding at December 31, 2002.

At a November 30, 2001 meeting, the Company's Board of Directors, in an effort to encourage the conversion of Series C 8% Convertible Exchangeable Preferred Stock ("Series C Preferred Stock") into shares of Common Stock, voted to reduce, on a post-Reverse Split basis, the conversion price of the Series C Preferred Stock from $2.00 per share of Common Stock to $1.61 per share of Common Stock. In addition, the Board of Directors voted to extend the conversion price increase date of the Series C Preferred Stock from the close of business on December 31, 2001 until the close of business on January 31, 2002. As a result, the conversion price was $1.61 per share of Common Stock if converted prior to the close of business on January 31, 2002. After January 31, 2002, and prior to the close of business on December 31, 2002, the conversion price per share of Common Stock was $3.75. Thereafter, the conversion price per share of Common Stock is $6.00. This action by the Board of Directors has resulted in 977,550 shares of Series C Preferred Stock being converted into 3,030,539 shares of Common Stock during 2002. As a result,

58,100 shares of Series C Preferred Stock remained outstanding at December 31, 2002 and the cumulative dividends in arrears on the Series C Preferred Stock were $92,960 at December 31, 2002.

In September 2002, the Company issued 1,500,000 detachable stock warrants, valued at $45,000, to certain investors in exchange for their financial commitment for a line of credit that expired December 31, 2002, in an amount up to $300,000. During September 2002, the Company used $150,000 of available funds under the line of credit. At December 31, 2002, $120,000 remained outstanding under the line of credit and was paid by the Company in January 2003.

The Company anticipates that available funds, together with anticipated cash flows generated from future operations will be sufficient to meet the Company's cash needs during 2003, so long as the Company's one crew is employed, of which there is no assurance. In addition, should the Company require additional capital, an investor group has committed to loan the Company up to $300,000.

This report contains forward-looking statements which reflect the view of Company's management with respect to future events. 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 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 gas prices, and the availability of capital resources. 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.

ITEM 7. FINANCIAL STATEMENTS.

Financial Statements

December 31, 2002 and 2001

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Report of Independent Certified Public Accountants

Board of Directors and Stockholders
TGC Industries, Inc.

We have audited the accompanying balance sheets of TGC Industries, Inc. as of December 31, 2002 and 2001, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TGC Industries, Inc. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP
Dallas, Texas
February 4, 2003, except for Note C, as to
which the date is March 25, 2003

TGC Industries, Inc.

BALANCE SHEETS

December 31,

ASSETS	2002	2001
CURRENT ASSETS		
Cash and cash equivalents	$ 523,120	$ 1,043,961
Trade accounts receivable	662,050	1,255,954
Costs and estimated earnings in excess of billings on uncompleted contracts	32,845	20,134
Prepaid expenses and other	101,965	72,819
Total current assets	1,319,980	2,392,868
PROPERTY AND EQUIPMENT - at cost		
Machinery and equipment	11,635,752	11,585,080
Automobiles and trucks	833,743	887,226
Furniture and fixtures	323,323	323,323
Other	-	6,810
	12,792,818	12,802,439
Less accumulated depreciation and amortization	(11,173,415)	(9,831,017)
	1,619,403	2,971,422
OTHER ASSETS	4,824	4,824
	$ 2,944,207	$ 5,369,114

BALANCE SHEETS - CONTINUED

December 31,

LIABILITIES AND STOCKHOLDERS' EQUITY	2002	2001
CURRENT LIABILITIES		
Trade accounts payable	$ 199,336	$ 1,067,506
Accrued liabilities	121,517	176,986
Billings in excess of costs and estimated earnings on uncompleted contracts	874,187	763,001
Current maturities of notes payable	133,459	15,475
Current portion of capital		

lease obligations	127,295	157,544
Total current liabilities	1,455,794	2,180,512
NOTES PAYABLE, less current maturities	98,972	104,826
CAPITAL LEASE OBLIGATIONS, less current portion	29,167	56,993
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Preferred stock, $1.00 par value; 4,000,000 shares authorized; 8.5% senior convertible preferred stock; 2,782,708 and 2,560,445 shares issued and outstanding at December 31, 2002 and 2001, respectively	2,782,708	2,560,445
8% Series C convertible exchangeable preferred stock; 1,150,350 shares issued, 58,100 and 1,035,650 shares outstanding at December 31, 2002 and 2001, respectively	58,100	1,035,650
Common stock, $.30 par value; 25,000,000 shares authorized; 5,547,008 and 2,511,169 shares issued at December 31, 2002 and 2001, respectively	1,664,102	753,350
Additional paid-in capital	5,302,871	5,413,336
Accumulated deficit	(8,232,193)	(6,520,684)
Treasury stock, at cost, 31,944 shares	(215,314)	(215,314)
	1,360,274	3,026,783
	$ 2,944,207	$ 5,369,114

The accompanying notes are an integral part of these statements.

TGC Industries, Inc.

STATEMENTS OF OPERATIONS

Years ended December 31,

	2002	2001
Revenue	$ 6,262,206	$10,101,117
Cost and expenses		
Cost of services	7,027,336	10,315,635
Selling, general and administrative	884,572	916,258
Interest expense	16,807	18,067
Debt financing costs	45,000	-
	7,973,715	11,249,960
Net loss	(1,711,509)	(1,148,843)
Less dividend requirements on preferred stock	(280,653)	(651,112)
Loss allocable to common stockholders	$(1,992,162)	$(1,799,955)
Loss per common share - basic and diluted	$(.37)	$(.75)
Weighted average number of common shares outstanding - basic and diluted	5,330,492	2,407,036

The accompanying notes are an integral part of these statements.

STATEMENT OF STOCKHOLDERS' EQUITY

	Preferred stock		Common stock		Additional			
	Shares	Amount	Shares	Amount	paid-in capital	Accumulated deficit	Treasury stock	Total
Balances at January 1, 2001	3,441,485	$3,441,485	2,360,818	$708,245	$5,609,285	$(5,371,841)	$(215,314)	$ 4,171,860
Exercise of stock warrants	-	-	3,333	1,000	2,766	-	-	3,766
Common stock issued for redeemed stock warrants	-	-	22,268	6,680	(6,680)	-	-	-
Conversion of preferred stock	(49,900)	(49,900)	124,750	37,425	12,475	-	-	-
Dividend on 8-1/2% senior convertible preferred stock	204,510	204,510	-	-	(204,510)	-	-	-
Net loss	-	-	-	-	-	(1,148,843)	-	(1,148,843)
Balances at December 31, 2001	3,596,095	3,596,095	2,511,169	753,350	5,413,336	(6,520,684)	(215,314)	3,026,783
Conversion of preferred stock	(977,550)	(977,550)	3,035,839	910,752	66,798	-	-	-
Dividend on 8-1/2% senior convertible preferred stock	222,263	222,263	-	-	(222,263)	-	-	-
Issuance of stock warrants	-	-	-	-	45,000	-	-	45,000
Net loss	-	-	-	-	-	(1,711,509)	-	(1,711,509)
Balances at December 31, 2002	2,840,808	$2,840,808	5,547,008	$1,664,102	$5,302,871	$(8,232,193)	$(215,314)	$1,360,274

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2002	2001
Cash flows from operating activities		
Net loss	$(1,711,509)	$(1,148,843)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	1,522,815	1,617,515
Gain on disposal of property and equipment	-	(6,000)
Debt issuance costs	45,000	-
Changes in operating assets and liabilities		
Trade accounts receivable	593,904	(361,190)
Costs and estimated earnings in excess of billings on uncompleted contracts	(12,711)	(11,584)
Prepaid expenses and other	(29,146)	(734)
Other assets	-	(4,429)
Trade accounts payable	(868,170)	730,630
Accrued liabilities	(55,469)	36,451
Billings in excess of costs and estimated earnings on uncompleted contracts	111,186	583,951
Net cash provided by (used in) operating activities	(404,100)	1,435,767
Cash flows from investing activities		
Capital expenditures	(70,377)	(250,542)
Proceeds from sale of property and equipment	-	6,000
Net cash used in investing activities	(70,377)	(244,542)
Cash flows from financing activities		
Proceeds from exercise of stock warrants	-	3,766
Proceeds from issuance of debt	150,000	-
Principal payments on notes payable	(67,731)	(244,225)
Principal payments on capital lease obligations	(128,633)	(165,936)
Net cash used in financing activities	(46,364)	(406,395)
Net increase (decrease) in cash and cash equivalents	(520,841)	784,830
Cash and cash equivalents at beginning of year	1,043,961	259,131
Cash and cash equivalents at end of year	$ 523,120	$ 1,043,961

	2002	2001
Supplemental cash flow information		
Interest paid	$ 14,332	$ 18,067
Income taxes paid	$ -	$ -
Noncash investing and financing activities		
Capital lease obligations incurred	$ 70,558	$ 376,163
Financed equipment purchase	$ 29,861	$ -

At the election of the Senior Preferred Stockholder, 100,127, 104,383, 108,819 and 113,444 shares of 8.5% Senior Preferred Stock were issued to the Senior Preferred Stockholder as payment for the June 1, 2001, December 1, 2001, June 1, 2002 and December 1, 2002 dividends, respectively.

The accompanying notes are an integral part of these statements.

TGC Industries, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2002 and 2001

NOTE A - NATURE OF OPERATIONS

TGC Industries, Inc. (TGC or the Company) is engaged in the domestic geophysical services business and primarily conducts seismic surveys and sells gravity data to companies engaged in exploration in the oil and gas industry.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

The Company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Trade Receivables

Trade accounts receivable are recorded in accordance with terms and amounts as specified in the related contracts on an ongoing basis. The Company evaluates the collectibility of accounts receivable on a specific account basis using a combination of factors, including the age of the outstanding balances, evaluation of the customer's financial condition, and discussions with relevant Company personnel and with the customers directly. An allowance for doubtful accounts or direct write-off is recorded when it is determined that the receivable may not be collected, depending on the facts known and the probability of collection of the outstanding amount.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the individual assets ranging from 1 to 7 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred.

Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted cash flows estimated to be generated by those assets.

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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

Revenues from conducting seismic surveys are recognized over the term of the contract using the percentage-of-completion method. Under this method, revenues are recognized on the units-of-production method. Revenues for the sale of gravity data are recognized when services are rendered.

Stock-Based Compensation

The Company has two stock-based employee compensation plans, which are described more fully in Note I. The Company accounts for those plans under the recognition and measurement principles of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net loss and loss per share allocable to common stockholders if the Company had applied the fair value recognition provisions of Financial Accounting Standards Board ("FASB") Statement No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation, to stock-based employee compensation:

	Year ended December 31,	
	2002	2001
Net loss allocable to common stockholders, as reported	$(1,992,162)	$(1,799,955)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(54,643)	(64,230)
Pro forma net loss allocable to common stockholders	$(2,046,805)	$(1,864,185)
Loss per common share		
Basic and diluted - as reported	$(.37)	$(.75)
Basic and diluted - pro forma	$(.38)	$(.77)

Financial Instruments

The Company's financial instruments recorded on the balance sheet include cash and cash equivalents, accounts receivable, accounts payable and debt. The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short-term nature of these items. Fair value of long-term debt is based on rates available to the Company for debt with similar terms and maturities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Earnings (Loss) Per Share

Basic earnings (loss) per common share is based upon the weighted average number of shares of common stock outstanding. Diluted earnings (loss) per share is based upon the weighted average number of common shares outstanding and, when dilutive, common shares issuable for stock options, warrants and convertible securities.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Intangible Assets," which revises the accounting for purchased goodwill and intangible assets. Under SFAS 142, goodwill and intangible assets with indefinite lives will no longer be amortized, but will be tested for impairment annually as well as in the event of an impairment indicator. The Company adopted SFAS 142 effective January 1, 2002. The adoption of this statement had no impact on the Company's financial position or results of operations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121") and related literature and establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company adopted SFAS 144 beginning January 1, 2002. The adoption of SFAS 144 had no impact on the Company's financial position or results of operations.

In December 2002, the FASB issued Statement of Financial Accounting Standard No. 148 ("SFAS 148"), "Accounting for Stock-Based Compensation-Transition and Disclosure - an amendment of SFAS No. 123". SFAS 148 was issued to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of SFAS 123 to require disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. Entities are still permitted to account for stock-based compensation programs using the intrinsic value method prescribed in APB Opinion No. 25. The Company currently accounts for stock-based compensation using the intrinsic value method. The interim disclosure requirements prescribed by SFAS 148 are required for interim periods beginning after December 15, 2002.

NOTE C - LIQUIDITY

As indicated in the accompanying statements of operations and cash flows, the Company has incurred losses of approximately $1.7 million and $1.1 million for the years ended December 31, 2002 and 2001, respectively, and cash used in operations was $404,100 for the year ended December 31, 2002.

Management believes that current cash on hand and cash generated from operations in 2003, based on current backlog, outstanding bids and contracts, will be adequate to fund operations through December 31, 2003. Should the Company require additional capital, an investor group has committed to loan the Company up to $300,000.

Note D - COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The components of uncompleted contracts are as follows:

	December 31, 2002	December 31, 2001
Costs incurred on uncompleted contracts and estimated earnings	$ 264,751	$ 628,019
Less billings to date	(1,106,093)	(1,370,886)
	$ (841,342)	$ (742,867)

The components of uncompleted contracts are reflected in the balance sheets at December 31, 2002 and 2001 as follows:

	2002	2001
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 32,845	$ 20,134
Billings in excess of costs and estimated earnings on uncompleted contracts	(874,187)	(763,001)
	$ (841,342)	$(742,867)

NOTE E - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

December 31,

	2002	2001
Compensation and payroll taxes	$ 33,465	$ 77,697
Insurance	2,007	35,000
Other	86,045	64,289
	$121,517	$176,986

NOTE F - DEBT

Line of Credit

During 2001, the Company entered into an unsecured revolving line of credit arrangement with a bank, providing for borrowings of up to $125,000. The facility bears interest at prime plus 1% (5.25% at December 31, 2002) per annum, and matures in October 2003. The Company

NOTE F - DEBT - Continued

had no borrowings under this arrangement at December 31, 2002 or 2001, but had committed the availability to irrevocable letters of credit totaling $125,000 which also expire in October 2003. Therefore, the Company had no borrowing availability under this line of credit at December 31, 2002 or 2001.

Notes Payable

Notes payable consist of the following:

	December 31, 2002	December 31, 2001
Note payable to a finance company, interest at 4%, due in monthly installments of $552 including interest; collateralized by equipment and accounts receivable	$101,461	$103,850
Note payable to a finance company, interest at 4%, due in monthly installments of $1,130 including interest; collateralized by equipment and accounts receivable	3,365	16,451
Note payable to a finance company, interest at 5%, due in monthly installments of $2,556 including interest; collateralized by equipment	7,605	-
Note payable to certain investors	120,000	-
	$232,431	$120,301

Aggregate annual maturities of notes payable at December 31, 2002 are as follows:

Year ending December 31,	
2003	$ 133,459
2004	2,594
2005	2,702
2006	2,816
2007	2,934
Thereafter	87,926
	232,431
Less current maturities	(133,459)
	$ 98,972

TGC Industries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002 and 2001

NOTE G - LEASES

Capital Leases

The Company leases certain specialized seismic equipment under leases classified as capital leases. The following is a schedule showing the future minimum lease payments under capital leases by years and the present value of the minimum lease payments as of December 31, 2002.

Year ending December 31,	
2003	$131,754
2004	30,135
Total minimum lease payments required	161,889
Less: Amount representing interest	(5,427)
Present value of minimum lease payments	$156,462

The net book value of the capital assets leased as of December 31, 2002 was approximately $285,000. Total accumulated depreciation on these assets as of December 31, 2002 was approximately $168,000.

Operating Leases

The Company leases office space under an operating lease that expires September 30, 2004. The lease expense for the years ended December 31, 2002 and 2001, was approximately $64,000 and $62,000, respectively.

The following is a schedule by years of future minimum rental payments required under the operating lease as of December 31, 2002:

Year ending December 31:	
2003	$ 67,041
2004	52,488
Total minimum payments required	$ 119,529

TGC Industries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002 and 2001

NOTE H - FAIR VALUE OF DEBT OBLIGATIONS

The fair value of debt obligations is estimated using discounted cash flows based on the Company's incremental borrowing rate for similar types of borrowings. A comparison of the carrying value and fair value of these instruments is as follows:

	December 31,	
	2002	2001
Carrying value	$232,431	$120,301

Fair value	$201,737	$ 87,821

NOTE I - STOCKHOLDERS' EQUITY

Earnings Per Share

The effect of preferred stock dividends on the amount of loss available to common stockholders was $.05 and $.27 for the years ended December 31, 2002 and 2001, respectively.

Outstanding warrants that were not included in the diluted calculation because their effect would be anti-dilutive total 1,310,274 and 850,000 for the years ended December 31, 2002 and 2001, respectively. Outstanding options that were not included in the diluted calculation because their effect would be anti-dilutive total 232,100 and 258,827 for the years ended December 31, 2002 and 2001, respectively.

Stock-Based Compensation Plans

The Company's 1986 Incentive Stock Option Plan (the "1986 Plan") expired during July 1997. All 6,335 options outstanding at December 31, 2000 expired unexercised during 2001.

The Company currently has in effect a 1993 Stock Option Plan (the "1993 Plan") covering a total of 283,334 shares of the Company's common stock. Options under the 1993 Plan must be granted at prices not less than the market price at the date of grant and must be exercised within five years from the date of grant. Options covering 54,004 shares expired or were canceled during 2001. Options covering 30,000 shares are exercisable as follows: (i) one-third of the shares on January 1, 1999, and (ii) all of the shares after January 1, 2000. Options covering 33,100 shares are exercisable as follows: (i) one-third of the shares after the 12 month period following the date of the grant, (ii) two-thirds of the shares after the 24 month period following the date of the grant, and (iii) all of the shares of stock after the 36 month period following the date of the grant. At December 31, 2002, outstanding options for 63,100 shares were exercisable.

In conjunction with the spin-off of the Company's wholly-owned subsidiary, Chase Packaging Corporation (Chase), in 1996, options held by employees of Chase under the 1993 Plan were converted into a nonqualified

NOTE I - STOCKHOLDERS' EQUITY - Continued

plan. All 53,058 options outstanding at December 31, 2000 expired unexercised during 2001.

The Company currently has in effect a 1999 stock option plan (the "1999 Plan") covering up to 300,000 shares of the Company's common stock. Options under the 1999 Plan must be granted at prices not less than the lesser of the par value per share of the stock or the fair market value per share of the Company's stock on the date of the grant, and their term cannot exceed ten years from the date of the grant. Options outstanding at December 31, 2002, covering 169,000 shares, expire five years from the date of the grant and are exercisable as follows: (i) one-third of the shares after the 12 month period following the date of the grant, (ii) two-thirds of the shares after the 24 month period following the date of the grant, and (iii) all of the shares of stock after the 36 month period following the date of the grant. At December 31, 2002, outstanding options covering 112,666 shares were exercisable.

The following table summarizes activity under the Plans:

	Shares under option	Weighted average exercise price
Balance at January 1, 2001	345,497	1.47
Canceled/expired	(113,397)	.33
Balance at December 31, 2001	232,100	.96
Canceled/expired	-	-

Balance at December 31, 2002	232,100	.96
Exercisable at December 31:		
2002	175,766	$ .95
2001	108,400	$ .95

The following information applies to options outstanding at December 31, 2002:

Range of exercise prices	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price
$.75 - $1.00	232,100	6.14	$.96

NOTE I - STOCKHOLDERS' EQUITY - Continued

The following information applies to options exercisable at December 31, 2002:

Range of exercise prices	Number exercisable	Weighted average exercise price
$.75 - $1.00	175,766	$.95

Stock Warrants

At December 31, 2002 and 2001, warrants covering 2,350,000 and 850,000 shares were outstanding, respectively. In connection with the issuance of subordinated notes payable during 1999, certain officers and directors received warrants covering 850,000 shares with a value of $391,000. These warrants have a strike price of $.30 and expire on July 31, 2009. Effective January 1, 2001, 10,000 warrants covering 3,333 shares of common stock were exercised and 849,674 warrants covering 283,224 shares of common stock expired. Per the warrant agreement, any unexercised warrants were automatically deemed exercised at the rate of one share of the Company's common stock for each 30 warrants held. During 2001, 668,040 warrants were redeemed for 22,268 shares of the Company's common stock, and 181,634 warrants remain unredeemed at December 31, 2002. In connection with the issuance of debt during 2002, certain investors received warrants covering 1,500,000 shares with a value of $45,000. These warrants have a strike price of $.20 and expire on September 12, 2012. As the strike price is below the par value of the Company's common stock, and therefore not currently exercisable at $.20, the warrant agreements contain a provision whereby in the event the per share par value is not reduced to $.01 before March 10, 2004, each warrant certificate entitles the holder to purchase (in lieu of one share of common stock) one unit, such unit consisting of one share of the Company's common stock and one warrant containing the same terms and provisions as the current warrant, at the then per share par value of the common stock per unit.

Preferred Stock

During 1996, the Company issued 1,150,350 shares of Series C 8% convertible exchangeable preferred stock ("Series C Preferred Stock") at $5.00 per share in a private placement offering with gross proceeds of approximately $5,800,000. The Series C Preferred Stock is, at the option of the Company, exchangeable into 8% subordinated convertible debentures. Prior to November 30, 2001, the Series C Preferred Stock and debentures were convertible into shares of the Company's common stock at the

TGC Industries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2002 and 2001

NOTE I - STOCKHOLDERS' EQUITY - Continued

conversion price of (i) $2.00 per share if exercised by December 31, 2001, (ii) $3.75 per share if exercised from January 1, 2002 through December 31, 2002, and (iii) $6.00 per share thereafter. At a November 30, 2001 meeting, the Company's Board of Directors approved amendments to the conversion terms of the Series C Preferred Stock. The amendments were as follows: the conversion price was reduced from $2.00 per share to $1.61 per share and the date of the conversion price increase to $3.75 per share was delayed from December 31, 2001, until January 31, 2002. The subsequent date of the increase in the conversion price to $6.00 per share remained December 31, 2002. In January 2002, the Series C Preferred shareholders converted 977,550 shares of Series C Preferred Stock into 3,030,539 shares of common stock. No other Series C Preferred Stock has been converted and, as a result, 58,100 shares of Series C Preferred Stock remain outstanding at December 31, 2002.

In 2000, the Company issued 2,252,445 shares of 8.5% Senior Convertible Preferred Stock (Senior Preferred Stock) to a debt holder in consideration for an outstanding debenture plus accrued interest, and in accordance with the terms of the agreement, issued 103,490 additional shares of Senior Preferred Stock to the Senior Preferred stockholder as payment for 2000 dividends. At the election of the Senior Preferred stockholder, the Company issued 100,127, 104,383, 108,819, and 113,444 additional shares of Senior Preferred Stock to the Senior Preferred stockholder as payment for the June 1, 2001, December 1, 2001, June 1, 2002 and December 1, 2002 dividends, respectively, resulting in 2,782,708 shares outstanding at December 31, 2002.

Dividends

Holders of the Company's Series C Preferred Stock will receive, when, as and if declared by the Board of Directors of the Company, dividends at a rate of 8% per annum. The dividends are payable semi-annually during January and July of each year. As of December 31, 2002, following the conversion of 977,550 shares of the Series C Preferred Stock as noted above, cumulative dividends of $92,960 were in arrears.

Holders of the Company's Senior Preferred Stock will receive, when, as and if declared by the Board of Directors of the Company, dividends at a rate of 8.5% per annum. The dividends are payable semi-annually during June and December of each year. Dividends payable in 2002 and 2001 were paid in additional shares of Senior Preferred Stock, at the election of the Senior Preferred Stockholder.

NOTE J - INCOME TAXES

The income tax benefit reconciled to the tax computed at the statutory Federal rate is as follows:

	Years ended December 31, 2002	2001
Federal tax benefit at statutory rate	$(581,913)	$(390,607)
Non-deductible expenses	24,109	29,103
Change in prior year estimates	-	(5,015)
Change in valuation allowance	557,804	366,519
	$ -	$ -

Deferred tax assets and liability consist of the following:

	December 31, 2002	2001
Deferred tax assets		
Net operating loss carryforwards	$ 3,159,224	$ 2,877,025
Other	3,502	14,605
	3,162,726	2,891,630
Deferred tax liability		
Property and equipment	(260,463)	(547,171)
	2,902,263	2,344,459
Less valuation allowance	(2,902,263)	(2,344,459)
Net deferred tax asset	$ -	$ -

At December 31, 2002, the Company had net operating loss carryforwards of approximately $9,000,000 available to offset future taxable income, which expire at various dates through 2022. Future tax benefits, such as net operating loss carryforwards, are recognized to the extent that realization of such benefits are more likely than not.

NOTE K - 401(k) PLAN

The Company has a 401(k) salary deferral plan which covers all employees who have reached the age of 20.5 years and have been employed by the Company for at least one year. The covered employees may elect to have an amount deducted from their wages for investment in a retirement plan. The Company makes contributions to the plan equal to 100% of each participant's salary reduction contributions to the plan up to 2% of the participant's compensation. The Company's matching contribution to the plan was approximately $17,000 and $13,000 for the years ended December 31, 2002 and 2001, respectively.

NOTE L - CONCENTRATION OF CREDIT RISK

The Company sells its geophysical services primarily to large independent oil and gas companies operating in the United States. The Company performs ongoing credit evaluations of its customer's financial condition and, generally, requires no collateral from its customers.

Sales and accounts receivable from the Company's largest customers as of and for the years ended December 31, 2002 and 2001 consist of the following:

Company	Sales 2002	Sales 2001	Accounts receivable 2002	Accounts receivable 2001
A	39%	-	-	20%
B	12%	-	-	19%
C	11%	-	-	-
D	-	38%	-	23%
E	-	14%	-	-
F	-	13%	-	-
G	-	13%	-	-

As of December 31, 2002, two additional customers accounted for 53% and 37% of outstanding accounts receivable, respectively. At December 31, 2001, two additional customers accounted for 23% and 13% of accounts receivable.

NOTE M - CONTINGENCIES

In conducting its activities, the Company from time to time is the subject of various claims arising from the ordinary course of business. In the opinion of management, the ultimate resolution of such claims is not expected to have a material adverse effect upon the financial position of the Company.

NOTE M - CONTINGENCIES - Continued

On November 7, 2001, the Company obtained unsecured irrevocable letters of credit totaling $125,000, expiring on October 25, 2003. These letters of credit, with an insurance company as beneficiary, will be used to guarantee continuing seismic insurance bonds totaling $125,000, issued by the insurance company to two states in which the Company performs seismic surveys. In the opinion of management, the chances that the insurance company will draw on the letters of credit is remote.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTER AND CONTROL PERSONS, COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Certain information required by Item 9 of the Form 10-KSB is hereby incorporated by reference from the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Nominees for Directors" in the proxy statement.

ITEM 10. EXECUTIVE COMPENSATION.

The information required by Item 10 of Form 10-KSB is hereby incorporated by reference from the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Executive Compensation" in the proxy statement.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required by Item 11 of Form 10-KSB is hereby incorporated by reference from the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Security Ownership of Certain Beneficial Owners and Management" in the proxy statement.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information provided by Item 12 of Form 10-KSB is hereby incorporated by reference from the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A within 120 days after the Company's year end for the year covered by this report, under the caption "Transactions with Management" in the proxy statement.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.

Item 13 (a). The following is a list of exhibits to this Form 10-KSB:

3.1 Restated Articles of Incorporation as of July 31, 1986, filed as Exhibit 3(a) to the Company's Registration Statement on Form 10 (Registration No. 0-14908), filed with the Commission and incorporated herein by reference.

3.2 Certificate of Amendment to the Company's Restated Articles of Incorporation, as of July 5, 1988, filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988, and incorporated herein by reference.

3.3 Restated Articles of Incorporation (with amendment) as of November 6, 1998, filed as Exhibit 3.3 to the

Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1998, and incorporated herein by reference.

3.4 First Amended Bylaws of the Company as amended, filed as Exhibit 3.2 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1987, and incorporated herein by reference.

3.5 Amendment to the Company's First Amended Bylaws as adopted by the Board of Directors on March 7, 1988, filed as Exhibit 3.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1987, and incorporated herein by reference.

4.1 Statement of Resolution Establishing Series of Preferred Stock of TGC Industries, Inc. filed with the Secretary of State of Texas on July 16, 1993, filed as Exhibit 2 to the Company's Current Report on Form 8-K dated August 11, 1993, and incorporated herein by reference.

4.2 Statement of Resolution Establishing Series C 8% Convertible Exchangeable Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on July 9, 1996, filed as Exhibit B to the Company's current report on Form 8-K dated July 11, 1996, filed with the Commission and incorporated herein by reference.

4.3 Statement of Resolution Regarding Series C 8% Convertible Exchangeable Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on December 30, 1998, filed as Exhibit 4.3 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 30, 1998, and incorporated herein by reference.

4.4 Statement of Resolution Regarding Series C 8% Convertible Exchangeable Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on July 9, 1999 filed as Exhibit 4.4 to the Company's Annual Report on Form 10-KSB for fiscal year ended December 31, 2000, and incorporated herein by reference.

4.5 Statement of Resolution regarding Series C 8% Convertible Exchangeable Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on December 4, 2001, and incorporated herein by reference.

4.6 Statement of Resolution regarding Series C 8% Convertible Exchangeable Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on December 11, 2002.

4.7 Form of Debenture Agreement and Debenture for 8% Subordinated Convertible Debentures, Series A, filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2 (Registration No. 333-12269), as amended, filed with the Commission and incorporated herein by reference.

4.8 Form of Warrant Agreement dated July 28, 1995, as amended, and Warrant, filed as Exhibit 4.3 to the Company's Registration Statement on Form SB-2 (Registration No. 333-12269), as amended, filed with the Commission and incorporated herein by reference.

4.9 Debenture Agreement dated December 10, 1999, with respect to the Company's $2,500,000 8 1/2% Convertible Subordinated Debenture, Series B payable to Wedge Energy Services, L.L.C., filed as Exhibit

4.6 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.

4.10 Statement of Resolution Establishing 8-1/2% Senior Convertible Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on May 17, 2000, filed as Exhibit 4.8 to the Company's Annual Report on Form 10-KSB for fiscal year ended November 31, 2000, and incorporated herein by reference.

4.11 Statement of Resolution regarding 8-1/2% Senior Convertible Preferred Stock of TGC Industries, Inc. as filed with the Secretary of State of Texas on November 27, 2002.

10.1 Service Mark License Agreement dated as of July 31, 1986, between the Company and Supreme Industries, Inc. (formerly ESI Industries, Inc.), relating to the use of the Company's logo, filed as Exhibit 10(b) to the Company's Registration Statement on Form 10 (Registration No. 0-14908), filed with the Commission and incorporated herein by reference.

10.2 The Company's 1986 Incentive and Nonqualified Stock Option Plan, filed as Exhibit 10(c) to the Company's Registration Statement on Form 10 (Registration No. 0-14908), filed with the Commission and incorporated herein by reference.

10.3 Amendment Number One to the Company's 1986 Incentive and Nonqualified Stock Option Plan as adopted by the Board of Directors on May 1, 1987, filed as Exhibit 10.4 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1987, and incorporated herein by reference.

10.4 The Company's 1993 Stock Option Plan as adopted by the Board of Directors on June 3, 1993, filed as Exhibit 10.4 to the Company's Registration Statement on Form S-2 (Registration No. 33-73216), filed with the Commission and incorporated by reference.

10.5 Master Contract for Geophysical Services-Onshore dated April 18, 1990 between Marathon Oil Co. and the Company together with a form of Supplementary Agreement thereto, filed as Exhibit 10.8 to the Company's Registration Statement on Form S-2 (Registration No. 33-73216), filed with the Commission and incorporated herein by reference.

10.6 Agreement for Spin-off of Subsidiary Stock filed as Exhibit 1 to the Company's Form 8-K filed with the Commission on August 9, 1996 and incorporated herein by reference.

10.7 Bill of Sale dated July 31, 1996 between TGC Industries, Inc. and Chase Packaging Corporation, filed as Exhibit 10.8 to the Company's annual report on Form 10-KSB for the fiscal year ended December 31, 1996, and incorporated herein by reference.

10.8 Amendment No. 1 to the 1993 Stock Option Plan as adopted by the Board of Directors on July 24, 1996, filed as Exhibit 10.9 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1998, and incorporated herein by reference.

10.9 Amendment No. 2 to the 1993 Stock Option Plan as adopted by the Board of Directors and approved by Company's Shareholders on June 4, 1998, filed as Exhibit 10.10 to the Company's Annual Report on Form

10-KSB for the fiscal year ended December 31, 1998, and incorporated herein by reference.

10.10 Warrant Agreements and Warrant Certificates dated July 30, 1999 issued by the Company to JMS Inc. Cust FBO William J. Barrett Keogh, JMS Inc. Cust FBO Herbert M. Gardner Keogh, Edward L. Flynn, Allen T. McInnes, and Wayne A. Whitener in connection with the issuance by the Company of notes payable to such persons, filed as Exhibit 10.10 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.

10.11 Debenture Purchase Agreement dated December 10, 1999, between WEDGE Energy Services, L.L.C. and the Company with respect to the purchase by WEDGE of the Company's 8 1/2% Convertible Subordinated Debenture, Series B, for the cash consideration of $2,500,000 paid by WEDGE to the Company, filed as Exhibit 10.11 to the Company's Annual Report filed on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.

10.12 Voting Agreement dated December 10, 1999, between the Company, WEDGE Energy Services, L.L.C., and the following shareholders of the Company: Allen McInnes, Wayne Whitener, Herbert Gardner, William J. Barrett and Edward L. Flynn, filed as Exhibit 10.12 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.

10.13 The Company's 1999 Stock Option Plan as adopted by the Board of Directors on December 14, 1999, filed as Exhibit 10.13 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.

99.1 Certification of Chief Executive Officer of TGC Industries, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification of Treasurer (Principal Financial and Accounting Officer) of TGC Industries, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b). Reports on Form 8-K.
Two (2) reports under Item 5 of Form 8-K were filed during the reporting period, as follows:

(1) Form 8-K was filed on May 21, 2002, to announce that the Company had been notified by Nasdaq that the Company's securities would be delisted from the Nasdaq SmallCap Market at the opening of business on May 24, 2002, due to the Company's common stock, as previously reported, having failed to maintain a minimum market value of publicly held shares of $1,000,000 as required by Marketplace Rule 4310(c)(7); and

(2) Form 8-K was filed on October 22, 2002, to report that one of the Company's contracts for geophysical services was canceled, which contract represented approximately 55% of the Company's current backlog.

Item 14. CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Principal Financial and Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-14. Based upon that evaluation, the Chief Executive Officer and Principal Financial and Accounting Officer concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TGC INDUSTRIES, INC.

Date: March 26, 2003 By: /s/ Wayne A. Whitener
Wayne A. Whitener
President (Principal Executive Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 26, 2003 By: /s/ Allen T. McInnes
Allen T. McInnes
Chairman of the Board and Secretary

Date: March 26, 2003 By: /s/ Edward L. Flynn
Edward L. Flynn
Director

Date: March 26, 2003 By: /s/ Wayne A. Whitener
Wayne A. Whitener
President, Chief Executive Officer and Director

Date: March 26, 2003 By: /s/ Kenneth Uselton
Kenneth Uselton, Treasurer
(Principal Financial and Accounting Officer)

Date: March 26, 2003 By: /s/ William J. Barrett
William J. Barrett
Director

Date: March 26, 2003 By: /s/ Herbert M. Gardner
Herbert M. Gardner
Director

Date: March 26, 2003 By: /s/ James M. Tidwell
James M. Tidwell
Director

Date: March 26, 2003 By: /s/ Pasquale V. Scaturro
Pasquale V. Scaturro
Director

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Wayne A. Whitener, certify that:

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

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2003

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

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Kenneth W. Uselton, certify that:

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

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2003

/s/ Kenneth W. Uselton
Kenneth W. Uselton
Treasurer (Principal Financial
and Accounting Officer)

Exhibit 4.6

Statement of Resolution Regarding
Series of Preferred Stock
of
TGC Industries, Inc.

Pursuant to the provisions of Article 2.13 of the Texas Business Corporation Act, and the Articles of Incorporation, as amended, of the undersigned Corporation, the Corporation submits the following with respect to its Statement of Resolution Establishing its Series C 8% Convertible Exchangeable Preferred Stock (the "Series C Preferred Stock") for the purpose of decreasing the number of authorized shares of the Series C Preferred Stock:

1. The name of the Corporation is TGC Industries, Inc.; and

2. A resolution adopting the Statement of Resolution Regarding the Series C Preferred Stock is attached as Exhibit "A" hereto and incorporated herein by reference. Such resolution was duly adopted by all necessary action on the part of the Corporation at a Special (Telephone) Meeting of the Board of Directors of the Corporation held on November 12, 2002.

Dated December 3, 2002.

TGC INDUSTRIES, INC.

By: /s/ Rice M. Tilley, Jr.
Rice M. Tilley, Jr., Assistant
Secretary

EXHIBIT "A"

STATEMENT OF RESOLUTION REGARDING
SERIES C 8% CONVERTIBLE EXCHANGEABLE PREFERRED STOCK OF

TGC INDUSTRIES, INC.

Pursuant to the provisions of Article 2.13 of the Texas Business Corporation Act and the Articles of Incorporation, as amended, of TGC Industries, Inc., a Texas corporation (the "Corporation" or the "Company"), the Corporation has adopted the following resolution by all necessary action on the part of the Corporation, at a Special (Telephone) Meeting of the Board of Directors held on November 12, 2002, for the purpose of decreasing the number of authorized shares of its Series C 8% Convertible Exchangeable Preferred Stock as provided therein:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by Article 4.b of the Corporation's Articles of Incorporation, as amended, the Corporation hereby approves a modification with respect to its Statement of Resolution Establishing Series C 8% Convertible Exchangeable Preferred Stock, which Statement of Resolution was originally filed with the Secretary of State of Texas on July 9, 1996, and was modified by Statements of Resolution filed with the Secretary of State of Texas on July 22, 1998, December 9, 1998, December 30, 1998, July 2, 1999, and December 4, 2001, by adopting the modification to said resolution to decrease the number of authorized shares of the Series C 8% Convertible Exchangeable Preferred Stock from 1,250,000 shares to 100,000 shares. Except as modified as set forth above, the Statement of Resolution Establishing Series C 8% Convertible

Exchangeable Preferred Stock as filed with the Secretary of State on July 9, 1996, shall remain in full force and effect.

Exhibit 4.11

Statement of Resolution Regarding
Series of Preferred Stock
of
TGC Industries, Inc.

Pursuant to the provisions of Article 2.13 of the Texas Business Corporation Act, and the Articles of Incorporation, as amended, of the undersigned Corporation, the Corporation submits the following with respect to its Statement of Resolution Establishing its 8-1/2% Senior Convertible Preferred Stock (the "Senior Preferred Stock") for the purpose of increasing the number of authorized shares of the Senior Preferred Stock:

1. The name of the Corporation is TGC Industries, Inc.; and

2. A resolution adopting the Statement of Resolution Regarding the 8-1/2% Senior Convertible Preferred Stock is attached as Exhibit "A" hereto and incorporated herein by reference. Such resolution was duly adopted by all necessary action on the part of the Corporation by an unanimous written consent of the Board of Directors of the Corporation dated November 26, 2002.

Dated November 27, 2002.

TGC INDUSTRIES, INC.

By: /s/ Rice M. Tilley, Jr.
Rice M. Tilley, Jr., Assistant Secretary

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EXHIBIT "A"

STATEMENT OF RESOLUTION REGARDING
8-1/2% SENIOR CONVERTIBLE PREFERRED STOCK OF

TGC INDUSTRIES, INC.

Pursuant to the provisions of Article 2.13 of the Texas Business Corporation Act and the Articles of Incorporation, as amended, of TGC Industries, Inc., a Texas corporation (the "Corporation" or the "Company"), the Corporation has adopted the following resolution by all necessary action on the part of the Corporation, by an unanimous written consent of the Board of Directors of the Corporation dated November 26, 2002, for the purpose of increasing the number of authorized shares of its 8-1/2% Senior Convertible Preferred Stock as provided therein:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by Article 4.b of the Corporation's Articles of Incorporation, as amended, the Corporation hereby approves a modification with respect to its Statement of Resolution Establishing its 8-1/2% Senior Convertible Preferred Stock (the "Senior Preferred Stock"), which Statement of Resolution was originally filed with the Secretary of State of Texas on May 17, 2002, by adopting a modification to said resolution to increase the number of authorized shares of the Senior Preferred Stock from 2,750,000 shares to 3,900,000 shares. Except as modified herein, the Statement of Resolution Establishing the 8-1/2% Senior Convertible Preferred Stock as filed with the Secretary of State on May 17, 2000, shall remain in full force and effect.

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Exhibit 99.1

Certification of
Chief Executive Officer
of TGC Industries, Inc. 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 (18 U.S.C. 1350) and accompanies the annual report on Form 10-KSB(the "Form 10-KSB") for the fiscal year ended December 31, 2002 of TGC Industries, Inc. (the "Company"). I, Wayne A. Whitener, the Chief Executive Officer of the Company, certify that, to the best of my knowledge:

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

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

Dated: March 26, 2003

/s/ Wayne A. Whitener
Wayne A. Whitener
Chief Executive Officer

Exhibit 99.2

Certification of
Treasurer (Principal Financial and Accounting Officer)
of TGC Industries, Inc. 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 (18 U.S.C. 1350) and accompanies the annual report on Form 10-KSB(the "Form 10-KSB") for the fiscal year ended December 31, 2002 of TGC Industries, Inc. (the "Company"). I, Kenneth W. Uselton, Treasurer (Principal Financial and Accounting Officer) of the Company, certify that, to the best of my knowledge:

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

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

Dated: March 26, 2003

/s/ Kenneth W. Uselton

Kenneth W. Uselton
Treasurer (Principal Financial and
Accounting Officer)

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