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

FORM 8-K/A

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

Date of Report (date of earliest event reported): **February 11, 2015**

DAWSON GEOPHYSICAL COMPANY
(Exact name of registrant as specified in its charter)

Texas	**001-32472**	**74-2095844**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

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

(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):

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

Explanatory Note

This Form 8-K/A (this "Amendment") is filed by Dawson Geophysical Company ("Dawson Geophysical"), which was formerly known as TGC Industries, Inc. ("Legacy TGC") prior to the consummation on February 11, 2015 of the strategic business combination described below, in order to amend the Current Report on Form 8-K dated February 11, 2015, filed by Dawson Geophysical Company with the Securities and Exchange Commission on February 11, 2015 (the "Prior Form 8-K").

As disclosed in the Prior Form 8-K, on February 11, 2015, Legacy TGC completed its previously announced strategic business combination with Dawson Operating Company, which was formerly known as Dawson Geophysical Company ("Legacy Dawson"), pursuant to which a wholly-owned subsidiary of Legacy TGC merged with and into Legacy Dawson, with Legacy Dawson continuing after the merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC (the "Merger"). As a result of the Merger, the former shareholders of Legacy Dawson received shares of Legacy TGC common stock representing approximately 66% of the outstanding common shares of the post-merger combined company, and Legacy TGC's shareholders retained approximately 34% of the outstanding common shares of the post-merger combined company. In connection with the Merger, Legacy Dawson changed its name to "Dawson Operating Company" and Legacy TGC changed its name to "Dawson Geophysical Company." All references in this Amendment to "Dawson Geophysical" refer to the combined company following the Merger.

The Merger has been accounted for as a reverse acquisition under which Legacy Dawson was considered the accounting acquirer of Legacy TGC. As such, the historical financial statements of Legacy Dawson will be treated as the historical financial statements of the combined company and will be reflected in Dawson Geophysical's future quarterly and annual reports for periods ending after February 11, 2015. Accordingly, beginning with the Quarterly Report on Form 10-Q for the quarter ending March 31, 2015, post-combination Dawson Geophysical will report on a consolidated basis representing the combined operations of Legacy TGC and Legacy Dawson and their respective subsidiaries.

Except as set forth herein, this Amendment does not modify or amend any other disclosures contained in the Prior Form 8-K.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 16, 2015, the Compensation Committee of the Board of Directors of Dawson Geophysical approved the assumption by Dawson Geophysical of the sponsorship and maintenance of Legacy Dawson's 2014 Annual Incentive Plan (the "Plan"). Under the Plan, the payment of performance-based cash bonuses related to a fiscal year's performance may be made to participating employees, including the Company's executive officers, based on the achievement of Company-wide targets related to EBITDA (the "Company goal") and the attainment of personal goals to be established for each participating employee ("personal goals").

The Compensation Committee has not yet determined the 2015 target incentive amounts for the executive officers. Further, actual bonus amounts paid to the executive officers may be more or less than the target bonus amounts based on the level of attainment of the Company goal and personal goals. Incentive amounts are first determined based upon the level of attainment of the Company goal. The incentive amount paid to a participating employee is then adjusted to reflect the attainment of personal goals by increasing or decreasing the bonus amount within a range of 25% to 125%.

The description of the Plan above does not purport to be complete and is qualified in its entirety by reference to the complete text of the Plan, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 8.01. Other Events.

This Amendment provides the historical financial statements of Legacy Dawson referenced in Item 9.01(a) below and Exhibits 99.1 and 99.2 attached hereto and incorporated by reference herein.

This Amendment also provides the pro forma financial statements of Dawson Geophysical giving effect to the Merger referenced in Item 9.01(b) below and Exhibit 99.3 attached hereto and incorporated by reference herein.

This Amendment also provides updated information about Dawson Geophysical's business and properties and the risks relating to the combined operations of Dawson Geophysical following the completion of the Merger on February 11, 2015 as set forth in, respectively, Exhibits 99.4 and 99.5 attached hereto and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired*

The audited consolidated financial statements of Legacy Dawson as of and for the years ended September 30, 2014, 2013 and 2012, together with the reports of Ernst & Young LLP and KPMG LLP with respect thereto, are included as Exhibit 99.1 attached hereto and are incorporated herein by reference. The unaudited consolidated financial statements of Legacy Dawson as of December 31, 2014 and for the three months ended December 31, 2014 and 2013 are included as Exhibit 99.2 hereto and are incorporated herein by reference.

(b) *Pro Forma Financial Information*

The unaudited pro forma financial statements of Dawson Geophysical, giving effect to the Merger as if it had been consummated as of December 31, 2014 or October 1, 2013, as applicable, instead of February 11, 2015, including the notes thereto, are included as Exhibit 99.3 attached hereto and are incorporated herein by reference. The pro forma data is presented for comparative purposes only and is not necessarily indicative of the future financial position or results of operations of Dawson Geophysical.

(d) *Exhibits.*

EXHIBIT NUMBER		DESCRIPTION
10.1	—	Dawson Geophysical 2014 Annual Incentive Plan (incorporated by reference to Exhibit 10.1 to Dawson Operating Company's (formerly known as Dawson Geophysical Company) Current Report on Form 8-K, filed on November 25, 2013).
23.1	—	Consent of Ernst & Young LLP.
23.2	—	Consent of KPMG LLP.
99.1	—	Dawson Operating Company (formerly known as Dawson Geophysical Company) Audited Financial Statements for the Years Ended September 30, 2012, 2013 and 2014.
99.2	—	Dawson Operating Company (formerly known as Dawson Geophysical Company) Unaudited Financial Statements for the Three Months Ended December 31, 2013 and 2014.
99.3	—	Unaudited Pro Forma Financial Statements of Dawson Geophysical Company.
99.4	—	Business and Properties of Dawson Geophysical Company.
99.5	—	Risk Factors Related to Dawson Geophysical Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DAWSON GEOPHYSICAL COMPANY

Date: April 30, 2015	By: /s/ Christina W. Hagan Christina W. Hagan Executive Vice President, Secretary and Chief Accounting Officer

INDEX TO EXHIBITS

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99.4	—	Business and Properties of Dawson Geophysical Company.
99.5	—	Risk Factors Related to Dawson Geophysical Company.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Dawson Geophysical Company:

(1) Registration Statement on Form S-8 (File No. 333-142221),

(2) Registration Statement on Form S-8 (File No. 333-201923), and

(3) Post-Effective Amendment on Form S-8 to the Registration Statement on Form S-4 (File No. 333-199922);

of our reports dated December 15, 2014, with respect to the consolidated financial statements of Dawson Operating Company (formerly known as Dawson Geophysical Company) and the effectiveness of internal control over financial reporting of Dawson Operating Company for the year ended September 30, 2014, filed with the Securities and Exchange Commission in this Current Report on Form 8-K/A of Dawson Geophysical Company.

/s/ Ernst & Young LLP

Dallas, Texas
April 30, 2015

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Dawson Geophysical Company:

We consent to the incorporation by reference in the Registration Statements (No. 333-142221 and No. 333-201923) on Form S-8, and Post-Effective Amendment on Form S-8 to the Registration Statement (No. 333-199922) on Form S-4, of Dawson Geophysical Company of our report dated December 5, 2012, with respect to the consolidated statements of earnings and comprehensive income (loss), stockholders' equity, and cash flows, of Dawson Geophysical Company for the year ended September 30, 2012, which report appears in the Form 8-K/A of Dawson Geophysical Company dated April 30, 2015.

/s/ KPMG LLP

Dallas, Texas
April 30, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Dawson Geophysical Company

We have audited Dawson Geophysical Company's internal control over financial reporting as of September 30, 2014, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Dawson Geophysical Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Dawson Geophysical Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Dawson Geophysical Company as of September 30, 2014 and 2013, and the related consolidated statements of operations and comprehensive (loss) income, stockholders' equity and cash flows for each of the two years in the period ended September 30, 2014 of Dawson Geophysical Company and our report dated December 15, 2014 expressed and unqualified opinion thereon.

/s/ Ernst & Young LLP

Dallas, Texas
December 15, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Dawson Geophysical Company

We have audited the accompanying consolidated balance sheets of Dawson Geophysical Company as of September 30, 2014 and 2013, and the related consolidated statements of operations and comprehensive (loss) income, stockholders' equity and cash flows for each of the two years in the period ended September 30, 2014. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated financial position of Dawson Geophysical Company at September 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the two years in the period ended September 30, 2014, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Dawson Geophysical Company's internal control over financial reporting as of September 30, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework), and our report dated December 15, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Dallas, Texas
December 15, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Dawson Geophysical Company:

We have audited the accompanying consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows of Dawson Geophysical Company for the year ended September 30, 2012. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of Dawson Geophysical Company's operations and its cash flows for the year ended September 30, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Dallas, Texas
December 5, 2012

DAWSON GEOPHYSICAL COMPANY
CONSOLIDATED BALANCE SHEETS

	September 30, 2014	September 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,753,000	$ 52,405,000
Short-term investments	27,000,000	23,500,000
Accounts receivable, net of allowance for doubtful accounts of $250,000 at September 30, 2014 and September 30, 2013	39,995,000	37,488,000
Prepaid expenses and other assets	2,420,000	737,000
Current deferred tax asset	5,977,000	1,664,000
Total current assets	98,145,000	115,794,000
Property, plant and equipment	337,922,000	325,464,000
Less accumulated depreciation	(173,428,000)	(152,231,000)
Net property, plant and equipment	164,494,000	173,233,000
Total assets	$ 262,639,000	$ 289,027,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,720,000	$ 15,880,000
Accrued liabilities:		
Payroll costs and other taxes	1,998,000	1,850,000
Other	4,097,000	6,154,000
Deferred revenue	801,000	3,438,000
Current maturities of notes payable and obligations under capital leases	6,752,000	9,258,000
Total current liabilities	24,368,000	36,580,000
Long-term liabilities:		
Notes payable and obligations under capital leases less current maturities	4,933,000	3,697,000
Deferred tax liability	33,808,000	35,690,000
Total long-term liabilities	38,741,000	39,387,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock-par value $1.00 per share; 5,000,000 shares authorized, none outstanding	—	—
Common stock-par value $.33 1/3 per share; 50,000,000 shares authorized, 8,065,233 and 8,056,943 shares issued and outstanding at September 30, 2014 and September 30, 2013, respectively	2,688,000	2,686,000
Additional paid-in capital	96,086,000	94,846,000
Retained earnings	100,973,000	115,528,000
Accumulated other comprehensive loss, net of tax	(217,000)	—
Total stockholders' equity	199,530,000	213,060,000
Total liabilities and stockholders' equity	$ 262,639,000	$ 289,027,000

See accompanying notes to the consolidated financial statements.

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

	Years Ended September 30, 2014	2013	2012
Operating revenues	$ 261,683,000	$ 305,299,000	$ 319,274,000
Operating costs:			
Operating expenses	223,336,000	234,660,000	258,970,000
General and administrative	16,083,000	13,364,000	11,205,000
Depreciation	40,168,000	37,095,000	32,498,000
	279,587,000	285,119,000	302,673,000
(Loss) income from operations	(17,904,000)	20,180,000	16,601,000
Other income (expense):			
Interest income	73,000	63,000	28,000
Interest expense	(535,000)	(660,000)	(629,000)
Other income (expense)	466,000	(13,000)	516,000
(Loss) income before income tax	(17,900,000)	19,570,000	16,516,000
Income tax benefit (expense)			
Current	(787,000)	(817,000)	(490,000)
Deferred	6,067,000	(8,273,000)	(4,913,000)
	5,280,000	(9,090,000)	(5,403,000)
Net (loss) income	$ (12,620,000)	$ 10,480,000	$ 11,113,000
Other comprehensive loss			
Net unrealized loss on foreign exchange rate translation, net of tax	$ (217,000)	$ —	$ —
Comprehensive (loss) income	$ (12,837,000)	$ 10,480,000	$ 11,113,000
Basic (loss) income per share attributable to common stock	$ (1.59)	$ 1.31	$ 1.40
Diluted (loss) income per share attributable to common stock	$ (1.59)	$ 1.31	$ 1.39
Cash dividend declared per share of common stock	$ 0.24	$ —	$ —
Weighted average equivalent common shares outstanding	7,959,452	7,879,614	7,841,722
Weighted average equivalent common shares outstanding-assuming dilution	7,959,452	7,920,365	7,877,107

See accompanying notes to the consolidated financial statements.

DAWSON GEOPHYSICAL COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Number Of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance September 30, 2011	7,910,885	$ 2,637,000	$ 91,591,000	—	$ 93,935,000	$ 188,163,000
Net income					11,113,000	11,113,000
Stock-based compensation expense			1,245,000			1,245,000
Issuance of common stock as compensation	7,234	3,000	241,000			244,000
Exercise of stock options	9,750	3,000	181,000			184,000
Issuance of restricted stock awards and unearned compensation	103,500	34,000	(34,000)			—
Balance September 30, 2012	8,031,369	2,677,000	93,224,000	—	105,048,000	200,949,000
Net income					10,480,000	10,480,000
Stock-based compensation expense			1,394,000			1,394,000
Issuance of common stock as compensation	14,484	5,000	398,000			403,000
Forfeiture of restricted stock awards	(900)	—	—			—
Shares exchanged for taxes on stock-based compensation	(20,160)	(7,000)	(767,000)			(774,000)
Exercise of stock options	32,150	11,000	597,000			608,000
Balance September 30, 2013	8,056,943	2,686,000	94,846,000	—	115,528,000	213,060,000
Net loss					(12,620,000)	(12,620,000)
Unrealized loss on foreign exchange rate translation				(345,000)		

Income tax benefit				128,000		
Other comprehensive loss				(217,000)		(217,000)
Stock-based compensation expense			1,054,000			1,054,000
Issuance of common stock as compensation	5,515	2,000	169,000			171,000
Issuance of common stock under stock compensation plans including tax effect	1,500	—	(1,000)			(1,000)
Shares exchanged for taxes on stock-based compensation	(475)	—	(14,000)			(14,000)
Exercise of stock options	1,750	—	32,000			32,000
Dividends paid					(1,935,000)	(1,935,000)
Balance September 30, 2014	8,065,233	$ 2,688,000	$ 96,086,000	$ (217,000)	$ 100,973,000	$ 199,530,000

See accompanying notes to the consolidated financial statements.

DAWSON GEOPHYSICAL COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30, 2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (12,620,000)	$ 10,480,000	$ 11,113,000
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	40,168,000	37,095,000	32,498,000
Noncash compensation	1,225,000	1,797,000	1,489,000
Deferred income tax (benefit) expense	(6,067,000)	8,273,000	4,913,000
Provision for bad debt	—	63,000	327,000
Other	(57,000)	(118,000)	192,000
Change in current assets and liabilities:			
(Increase) decrease in accounts receivable	(2,507,000)	16,168,000	32,670,000
(Increase) decrease in prepaid expenses and other assets	(1,683,000)	25,000	3,359,000
Decrease in accounts payable	(3,467,000)	(2,952,000)	(1,593,000)
Decrease in accrued liabilities	(1,909,000)	(223,000)	(2,439,000)
Decrease in deferred revenue	(2,637,000)	(29,000)	(6,149,000)
Net cash provided by operating activities	10,446,000	70,579,000	76,380,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures, net of noncash capital expenditures summarized below	(35,281,000)	(48,485,000)	(44,832,000)
Proceeds from maturity of short-term investments	29,250,000	10,750,000	500,000
Acquisition of short-term investments	(32,750,000)	(30,250,000)	(4,500,000)
Proceeds from disposal of assets	2,686,000	481,000	252,000
Net cash used by investing activities	(36,095,000)	(67,504,000)	(48,580,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	10,000,000	983,000	9,346,000
Principal payments on notes payable	(10,823,000)	(8,898,000)	(5,814,000)
Principal payments on capital lease obligations	(932,000)	(736,000)	(220,000)
Proceeds from exercise of stock options	32,000	608,000	184,000
Dividends paid	(1,935,000)	—	—
Net cash (used) provided by financing activities	(3,658,000)	(8,043,000)	3,496,000
Effect of exchange rate changes in cash and cash equivalents	(345,000)	—	—
Net (decrease) increase in cash and cash equivalents	(29,652,000)	(4,968,000)	31,296,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	52,405,000	57,373,000	26,077,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 22,753,000	52,405,000	$ 57,373,000
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$ 537,000	$ 688,000	$ 618,000
Cash paid for income taxes	$ 735,000	$ 1,665,000	$ 262,000
Cash received for income taxes	$ 3,000	$ 42,000	$ 3,258,000
NONCASH INVESTING AND FINANCING ACTIVITIES:			
(Decrease) increase in accrued purchases of property and equipment	$ (1,693,000)	$ 288,000	$ 1,405,000
Capital lease obligations incurred	$ 485,000	$ 1,296,000	$ 1,427,000

See accompanying notes to the consolidated financial statements.

DAWSON GEOPHYSICAL COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Nature of Operations

The Company is a leading provider of onshore seismic data acquisition and processing services. Founded in 1952, the Company acquires and processes 2-D, 3-D and multi-component seismic data 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. The Company operates in the lower 48 states of the United States and in Canada.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Dawson Seismic Services Holdings, Inc. and Dawson Seismic Services ULC. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents

For purposes of the financial statements, the Company considers demand deposits, certificates of deposit, overnight investments, money market funds and all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

Management prepares its allowance for doubtful accounts receivable based on its review of past-due accounts, its past experience of historical write-offs and its current client base. While the collectability of outstanding client invoices is continually assessed, the inherent volatility of the energy industry's business cycle can cause swift and unpredictable changes in the financial stability of the Company's clients.

Property, Plant and Equipment

Property, plant and equipment is capitalized at historical cost and depreciated over the useful life of the asset. Management's estimation of this useful life is based on circumstances that exist in the seismic industry and information available at the time of the purchase of the asset. As circumstances change and new information becomes available, these estimates could change.

Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet, and any resulting gain or loss is reflected in the results of operations for the period.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment when triggering events occur suggesting deterioration in the assets' recoverability or fair value. Recognition of an impairment charge is required if future expected undiscounted net cash flows are insufficient to recover the carrying value of the assets and the fair value of the assets is below the carrying value of the assets. Management's forecast of future cash flows used to perform impairment analysis includes estimates of future revenues and expenses based on the Company's anticipated future results while considering anticipated future oil and natural gas prices which is fundamental in assessing demand for the Company's services. If the carrying amounts of the assets exceed the estimated expected undiscounted future cash flows, the Company measures the amount of possible impairment by comparing the carrying amount of the assets to the fair value. No impairment charges were recognized for the years ended September 30, 2014, 2013 or 2012.

Leases

The Company leases certain equipment and vehicles under lease agreements. The Company evaluates each lease to determine its appropriate classification as an operating or capital lease for financial reporting purposes. Any lease that does not meet the criteria for a capital lease is accounted for as an operating lease. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the related assets. Assets under capital leases are amortized using the straight-line method over the initial lease term. Amortization of assets under capital leases is included in depreciation expense.

Revenue Recognition

Services are provided under cancelable service contracts. These contracts are either "turnkey" or "term" agreements. Under both types of agreements, the Company recognizes revenues when revenue is realizable and services have been performed. Services are defined as the commencement of data acquisition or processing operations. Revenues are considered realizable when earned according to the terms of the service contracts. Under turnkey agreements, revenue is recognized on a per unit of data acquired rate as services are performed. Under term agreements, revenue is recognized on a per unit of time worked rate as services are performed. In the case of a cancelled service contract, revenue is recognized and the client is billed for services performed up to the date of cancellation.

The Company receives reimbursements for certain out-of-pocket expenses under the terms of the service contracts. Amounts billed to clients are recorded in revenue at the gross amount including out-of-pocket expenses that are reimbursed by the client.

In some instances, clients are billed in advance of services performed. In those cases, the Company recognizes the liability as deferred revenue. As services are performed, those deferred revenue amounts are recognized as revenue.

In some instances, the contract contains certain permitting, surveying and drilling costs that are incorporated into the per unit of data acquired rate. In these circumstances, these set-up costs that occur prior to initiating revenue recognition are capitalized and amortized as data is acquired.

Stock-Based Compensation

The Company measures all employee stock-based compensation awards, which include stock options, restricted stock, restricted stock units and common stock awards, using the fair value method and recognizes compensation cost, net of estimated forfeitures, in its financial statements. The Company records compensation expense as operating or general and administrative expense as appropriate in the Consolidated Statements of Operations and Comprehensive (Loss) Income on a straight-line basis over the vesting period of the related stock options or restricted stock awards.

Foreign Currency Translation

The U.S. Dollar is the reporting currency for all periods presented. The functional currency of the Company's foreign subsidiaries is generally the local currency. All assets and liabilities denominated in a foreign currency are translated into U.S. Dollars at the exchange rate on the balance sheet date. Income and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates. Adjustments resulting from translation are recorded as a separate component of accumulated other comprehensive (loss) income in the consolidated balance sheets. Foreign currency transaction gains (losses) are included in the Consolidated Statements of Operations and Comprehensive (Loss) Income under other income (expense).

Income Taxes

The Company accounts for income taxes by recognizing amounts of taxes payable or refundable for the current year and by using an asset and liability approach in recognizing the amount of deferred tax assets and liabilities for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Management determines deferred taxes by identifying the types and amounts of existing temporary differences, measuring the total deferred tax asset or liability using the applicable tax rate in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates of deferred tax assets and liabilities is recognized in income in the year of an enacted rate change. The deferred tax asset is reduced by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. Management's methodology for recording income taxes requires judgment regarding assumptions and the use of estimates, including determining the annual effective tax rate and the valuation of deferred tax assets, which can create variances between actual results and estimates and could have a material impact on the Company's provision or benefit for income taxes. The Company's effective tax rates differ from the statutory federal rate of 35% for certain items such as state and local taxes, non-deductible expenses, discrete items and expenses related to share-based compensation that were not expected to result in a tax deduction.

Use of Estimates in the Preparation of Financial Statements

Preparation of the accompanying financial statements in conformity with generally accepted accounting principles 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. Because of the use of assumptions and estimates inherent in the reporting process, actual results could differ from those estimates.

2. Short-Term Investments

The Company had short-term investments at September 30, 2014 and 2013 consisting of certificates of deposit with original maturities greater than three months, but less than a year. Certificates of deposit are limited to one per United States banking institution and no single investment exceeded the FDIC insurance limit at September 30, 2014 or 2013.

3. Fair Value of Financial Instruments

At September 30, 2014 and 2013, the Company's financial instruments included cash and cash equivalents, short-term investments in certificates of deposit, trade and other receivables, other current assets, accounts payable, other current liabilities, the Term Note, the Second Term Note, the Third Term Note and the DSS Term Note (each as defined below). Due to the short-term maturities of cash and cash equivalents, trade and other receivables, other current assets, accounts payables and other current liabilities, the carrying amounts approximate fair value at the respective balance sheet dates. The carrying value of the Company's Term Note and Second Term Note approximate their fair value due to the fact that the interest rates on the Term Note and Second Term Note are reset each month based on the prevailing market interest rate. The Company's Third Term Note approximates its fair value based on a comparison with the prevailing market interest rate. The Company's DSS Term Note approximates its fair value based on a comparison with the prevailing market interest rates. Due to the short-term maturities of the Company's investments in certificates of deposit, the carrying amounts approximate fair value at the respective balance sheet dates. The fair values of the Company's notes payable and investments in certificates of deposit are Level 2 measurements in the fair value hierarchy.

4. Property, Plant and Equipment

Property, plant and equipment, together with the related estimated useful lives, were as follows:

	September 30, 2014	September 30, 2013	Useful Lives
Land, building and other	$ 13,848,000	$ 10,822,000	3 to 40 years
Recording equipment	206,517,000	197,134,000	5 to 10 years
Line clearing equipment	1,084,000	937,000	5 years
Vibrator energy sources	78,119,000	80,309,000	5 to 15 years
Vehicles	36,730,000	35,623,000	1.5 to 10 years
Other(a)	1,624,000	639,000	—
	337,922,000	325,464,000	

Less accumulated depreciation	(173,428,000)	(152,231,000)
Net property, plant and equipment	$ 164,494,000	$ 173,233,000

(a) Other represents accumulated costs associated with equipment fabrication and modification not yet completed.

5. Supplemental Consolidated Balance Sheet Information

Accounts receivable consist of the following at September 30, 2014 and 2013:

	September 30, 2014	September 30, 2013
Trade and accrued trade receivables	$ 39,445,000	$ 36,751,000
Allowance for doubtful accounts	(250,000)	(250,000)
Accrued receivable for workers' compensation stop loss policy	355,000	495,000
Other	445,000	492,000
Total accounts receivable	$ 39,995,000	$ 37,488,000

Other current liabilities consist of the following at September 30, 2014 and 2013:

	September 30, 2014	September 30, 2013
Accrued self-insurance reserves	$ 1,524,000	$ 1,865,000
Accrued profit sharing	—	1,313,000
Income and franchise taxes payable	96,000	243,000
Accrued insurance premiums	—	805,000
Other accrued expenses and current liabilities	2,477,000	1,928,000
Total other current liabilities	$ 4,097,000	$ 6,154,000

6. Debt

The Company's revolving line of credit loan agreement is with Frost Bank (formerly Western National Bank). Western National Bank merged into Frost Bank effective June 20, 2014. The agreement was renewed June 2, 2013 under the same terms as the previous agreement. The agreement permits the Company to borrow, repay and reborrow, from time to time until June 2, 2015, up to $20.0 million based on the borrowing base calculation as defined in the agreement. The Company's obligations under this agreement are secured by a security interest in its accounts receivable, equipment and related collateral. Interest on the facility accrues at an annual rate equal to either the 30-day London Interbank Offered Rate ("LIBOR"), plus two and one-quarter percent, or the Prime Rate, minus three-quarters percent, as the Company directs monthly, subject to an interest rate floor of 4%. Interest on the outstanding amount under the loan agreement is payable monthly. The loan agreement contains customary covenants for credit facilities of this type, including limitations on disposition of assets, mergers and reorganizations. The Company is also obligated to meet certain financial covenants under the loan agreement, including maintaining specified ratios with respect to cash flow coverage, current assets and liabilities and debt to tangible net worth. The Company was in compliance with all covenants including specified ratios as of September 30, 2014 and has the full line of credit available for borrowing. The Company has not utilized the revolving line of credit during the fiscal years ended September 30, 2014 or 2013.

The Company's credit loan agreement includes a term loan feature under which the Company has three outstanding term loans. The first two term loans were confirmed and brought under the renewed credit loan agreement in June 2013, while the other term loan was entered into in December 2013. In June 2011, the Company entered into the first term loan by obtaining $16,427,000 in financing for the purchase of Geospace Technologies GSR equipment ("Term Note"). The Term Note was repaid according to its terms over a period of 36 months at $485,444 per month plus any applicable interest in excess of 4%. Interest on the Term Note accrued at an annual rate equal to either the 30-day LIBOR, plus two and one-quarter percent, or the Prime Rate, minus three-quarters percent, as the Company directed monthly, subject to an interest rate floor of 4%, and otherwise had the same terms as the revolving line of credit. The Term Note was collateralized by a security interest in the Company's accounts receivable, equipment and related collateral and matured on June 30, 2014.

In May 2012, the Company entered into a Multiple Advance Term Note ("Second Term Note") under its credit loan agreement. Subject to the terms of the Third Term Note described below, the Second Term Note allows the Company to borrow from time to time up to $15.0 million to purchase equipment. The outstanding principal under the Second Term Note is amortized over a period of 36 months. The Second Term Note bears interest at an annual rate equal to either the 30-day LIBOR, plus two and one-quarter percent, or the Prime Rate, minus three-quarters percent, as the Company directs monthly, subject to an interest rate floor of 3.75%, and otherwise has the same terms as the revolving line of credit. The Second Term Note is collateralized by a security interest in the Company's accounts receivable, equipment and related collateral and matures with all outstanding balances due on May 2, 2015. In July 2012, the Company borrowed $9,346,000 under the Second Term Note to purchase Geospace Technologies GSR recording equipment.

In December 2013, the Company entered into a second Multiple Advance Term Note ("Third Term Note") under its credit loan agreement. The Third Term Note allows the Company to borrow from time to time up to $10.0 million to purchase equipment. Per the agreement, the Company will be unable to receive an advance for the remainder of the $15.0 million balance of the Second Term Note. The outstanding principal under the Third Term Note is amortized over a period of 36 months. The Third Term Note bears interest at an annual fixed rate equal to 3.16%, and otherwise has the same terms as the revolving line of credit. The Third Term Note is collateralized by a security interest in the Company's accounts receivable, equipment and related collateral and matures with all outstanding balances due on December 2, 2016. In December 2013, the Company borrowed the full amount of $10.0 million under the Third Term Note to purchase Geospace Technologies GSX recording equipment.

In February 2013, the Company's subsidiary DSS entered into a promissory note ("DSS Term Note") with Wells Fargo Equipment Finance Company. DSS obtained $983,000 in financing for the purchase of equipment. The DSS Term Note is repayable over a period of 36 months at $28,980 per month and bears interest at an implied annual fixed rate of 3.84%. The DSS Term Note is collateralized by a security interest in the DSS equipment and matures with all outstanding balances due on February 5, 2016.

During fiscal 2012, the Company began leasing vehicles from Enterprise Fleet Management under capital leases. These capital lease obligations are payable in 36 to 60 monthly installments and mature between December 2014 and November 2017. At September 30, 2014, the Company had leased 101 vehicles under these capital leases.

The Company's notes payable and obligations under capital leases consist of the following:

	September 30, 2014	September 30, 2013
Term Note	$ —	$ 4,770,000
Second Term Note	2,287,000	5,616,000
Third Term Note	7,594,000	—
DSS Term Note	483,000	801,000
Revolving line of credit	—	—
Obligations under capital leases	1,321,000	1,768,000
	$ 11,685,000	$ 12,955,000
Less current maturities of notes payable and obligations under capital leases	(6,752,000)	(9,258,000)
	$ 4,933,000	$ 3,697,000

The aggregate maturities of the notes payable and obligations under capital leases at September 30, 2014 are as follows:

October 2014 — September 2015	$ 6,752,000
October 2015 — September 2016	3,903,000
October 2016 — September 2017	1,020,000
October 2017 — September 2018	10,000
	$ 11,685,000

7. Stock-Based Compensation

At September 30, 2014, the Company had one stock-based compensation plan. The awards outstanding under this plan and the associated accounting treatment are discussed below.

In fiscal year 2007, the Company adopted the Dawson Geophysical Company 2006 Stock and Performance Incentive Plan (the "Plan"). The Plan provides for the issuance of up to 750,000 shares of authorized Company common stock which may be awarded to officers, directors, employees and consultants of the Company in various forms including options, common stock grants, restricted stock grants, restricted stock units and others. Stock option grant prices awarded under the Plan may not be less than the fair market value of the common stock subject to such option on the grant date, and the term of stock options shall extend no more than ten years after the grant date.

Incentive Stock Options:

The Company estimates the fair value of each stock option on the date of grant using the Black-Scholes option pricing model. The expected volatility is based on historical volatility of the Company's stock. The expected term represents the average period that the Company expects stock options to be outstanding and is determined based on the Company's historical experience. The risk free interest rate used by the Company as the discounting interest rate is based on the U.S. Treasury rates on the grant date for securities with maturity dates of approximately the expected term. As the Company had not historically declared dividends and did not expect to declare dividends at the time of grant, the dividend yield used in the calculation was zero. Actual value realized, if any, is dependent on the future performance of the Company's common stock and overall stock market conditions. There is no assurance the value realized by an option holder will be at or near the value estimated by the Black-Scholes model.

A summary of the Company's employee stock options as of September 30, 2014 as well as activity during the year then ended is presented below.

	Number of Optioned Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value ($000)
Balance as of September 30, 2013	93,400	$ 18.91		
Exercised	(1,750)	$ 18.91		
Forfeited	(500)	$ 18.91		
Balance as of September 30, 2014	91,150	$ 18.91	4.17	$ —
Exercisable as of September 30, 2014	91,150	$ 18.91	4.17	$ —

No options were granted or vested during fiscal years 2014, 2013 or 2012. The total intrinsic value of options exercised during fiscal years 2014, 2013 and 2012 was $13,000, $518,000 and $173,000, respectively. All options outstanding vested prior to fiscal 2014.

Outstanding options at September 30, 2014 expire in December 2018 and have an exercise price of $18.91. There was no unrecognized compensation costs related to stock option awards as of September 30, 2014.

Stock options issued under the Plan are incentive stock options. No tax deduction is recorded when options are awarded. If an exercise and sale of vested options results in a disqualifying disposition, a tax deduction for the Company occurs. For the years ended September 30, 2014, 2013 and 2012, there were no excess tax benefits from disqualifying dispositions.

Cash received from option exercises under all share-based payment arrangements during the years ended September 30, 2014, 2013 and 2012 was $32,000, $608,000 and $184,000, respectively.

The Company did not recognize compensation expense associated with stock option awards in fiscal 2014 and recognized $62,000 and $362,000 in fiscal years 2013 and 2012, respectively, which are included in operating or general and administrative expense, as appropriate, in the Consolidated Statements of Operations and Other Comprehensive (Loss) Income.

Restricted Stock Awards:

There were no restricted stock grants in 2014 or 2013. The Company granted 103,500 shares of restricted stock to employees in fiscal year 2012. The weighted average grant date fair value of restricted stock awards in fiscal year 2012 was $23.55. The fair value of the restricted stock granted equals the market price on the grant date and vests in fiscal 2015.

A summary of the status of the Company's nonvested restricted stock awards as of September 30, 2014 and changes during the year then ended is presented below.

	Number of Restricted Share Awards	Weighted Average Grant Date Fair Value
Nonvested restricted shares outstanding September 30, 2013	103,500	$ 23.55
Vested	—	$ —
Forfeited	—	$ —
Nonvested restricted shares outstanding September 30, 2014	103,500	$ 23.55

The Company recognized compensation expense related to restricted stock awards of $821,000, $1,307,000 and $883,000 in fiscal years 2014, 2013 and 2012, respectively, which is included in operating or general and administrative expense as appropriate in the Consolidated Statements of Operations and Other Comprehensive (Loss) Income. As of September 30, 2014, there was approximately $552,000 of unrecognized compensation cost related to nonvested restricted stock awards granted. This cost is expected to be recognized over a weighted average period of 0.69 years.

Restricted Stock Units:

Beginning in 2013, the Company began granting restricted stock units. The Company granted 21,411 and 2,000 restricted stock units in 2014 and 2013, respectively, with a weighted average grant date fair value of $31.91 and $27.14, respectively. The fair value of restricted stock units equals the market price on the grant date.

A summary of the status of the Company's nonvested restricted stock unit awards as of September 30, 2014 and changes during the year then ended is presented below.

	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Nonvested restricted share units outstanding September 30, 2013	2,000	$ 27.14
Granted	21,411	$ 31.91
Vested	(1,500)	$ 28.33
Nonvested restricted share units outstanding September 30, 2014	21,911	$ 31.72

The Company recognized compensation expense related to restricted stock units of $233,000 and $25,000 in fiscal years 2014 and 2013, respectively, which is included in operating or general and administrative expense as appropriate in the Consolidated Statements of Operations and Other Comprehensive (Loss) Income. The Company did not recognize compensation expense associated with restricted stock units in fiscal 2012. As of September 30, 2014, there was approximately $486,000 of unrecognized compensation cost related to nonvested restricted stock units. This cost is expected to be recognized over a weighted average period of 2.14 years.

Common Stock Awards:

The Company granted common shares with immediate vesting to outside directors and employees in fiscal years 2014, 2013 and 2012:

	Number of Shares Granted	Weighted Average Grant Date Fair Value
2014	5,515	$ 30.99
2013	14,484	$ 27.83
2012	7,234	$ 33.64

The Company recognized expense of $171,000, $403,000 and $244,000 in fiscal years 2014, 2013 and 2012, respectively, in operating or general and administrative expense as appropriate in the Consolidated Statements of Operations and Other Comprehensive (Loss) Income.

8. Dividends

On February 3, 2014, the Company's Board of Directors approved the commencement of the payment of an $0.08 per share quarterly cash dividend to shareholders, subject to capital availability and a determination that cash dividends continue to be in the best interest of the Company. Quarterly dividends were paid on February 24, 2014, May 30, 2014, and August 26, 2014 to shareholders of record at the close of business on February 14, 2014, May 16, 2014, and August 15, 2014, respectively, representing an aggregate dividend on each payment date of approximately $645,000 based on the number of issued and outstanding shares of Common Stock as of the applicable declaration date, or approximately $1,935,000 during fiscal 2014.

The Board of Directors may from time to time, in conjunction with management, evaluate supplemental dividend payments depending on the Company's financial results, capital requirements and overall market conditions.

9. Employee Benefit Plans

The Company provides a 401(k) plan as part of its employee benefits package in order to retain quality personnel. During fiscal years 2014, 2013 and 2012, the Company elected to match 100% of the employee contributions up to a maximum of 6% of the participant's gross salary. The Company's matching contributions for fiscal 2014, 2013 and 2012 were approximately $1,895,000, $1,747,000 and $1,521,000, respectively.

10. Advertising Costs

Advertising costs are charged to expense as incurred. Advertising costs totaled $223,000, $319,000 and $340,000 during the fiscal years ended September 30, 2014, 2013 and 2012, respectively.

11. Income Taxes

The Company's components of (loss) income before income taxes are as follows:

	Year Ended September 30, 2014	2013	2012
(Loss) income before income taxes			
Domestic	$ (11,671,000)	$ 23,019,000	$ 16,936,000
Foreign	(6,229,000)	(3,449,000)	(420,000)
Total	$ (17,900,000)	$ 19,570,000	$ 16,516,000

The Company recorded income tax benefit in the current year of $5,280,000, as compared to expense of $9,090,000 and $5,403,000 in 2013 and 2012, respectively.

Income tax (benefit) expense from operations is comprised of the following:

	Year Ended September 30, 2014	2013	2012
Current federal (benefit) expense	$ (74,000)	$ 124,000	$ (10,000)
Current state expense	633,000	693,000	500,000
Foreign tax expense	228,000	—	—
Deferred federal (benefit) expense	(5,489,000)	6,251,000	4,737,000
Deferred state (benefit) expense	(578,000)	2,022,000	176,000
Total	$ (5,280,000)	$ 9,090,000	$ 5,403,000

The income tax provision differs from the amount computed by applying the statutory federal income tax rate to (losses) income from continuing operations before income taxes as follows:

	Year Ended September 30, 2014	2013	2012
Tax (benefit) expense computed at statutory rate of 35%	$ (6,265,000)	$ 6,850,000	$ 5,781,000
Change in valuation allowance	1,506,000	1,265,000	—
State income tax (benefit) expense, net of federal tax	32,000	1,486,000	433,000
Foreign losses	(1,506,000)	(987,000)	—
Transaction costs	332,000	—	(1,353,000)
Other	621,000	476,000	542,000
Income tax (benefit) expense	$ (5,280,000)	$ 9,090,000	$ 5,403,000

The principal components of the Company's net deferred tax liability are as follows:

	September 30, 2014	2013
Deferred tax assets:		
Deferred revenue	$ 297,000	$ 1,255,000
Restricted stock	756,000	390,000
Workers' compensation	148,000	224,000
State tax net operating loss (NOL) carry forward	792,000	802,000
Federal tax NOL carry forward	11,205,000	9,012,000
Foreign tax NOL carry forward	2,441,000	952,000
Self-insurance	286,000	286,000
Canadian start-up costs	337,000	405,000
AMT credit carry forward	312,000	310,000

Other	565,000	166,000
Total gross deferred tax assets	17,139,000	13,802,000
Less valuation allowance	(2,771,000)	(1,265,000)
Total net deferred tax assets	14,368,000	12,537,000
Deferred tax liabilities:		
Property and equipment	(42,199,000)	(46,563,000)
Total deferred tax liabilities	(42,199,000)	(46,563,000)
Net deferred tax liability	$ (27,831,000)	$ (34,026,000)
Current portion of net deferred tax asset/liability	$ 5,977,000	$ 1,664,000
Non-current portion of net deferred tax asset/liability	(33,808,000)	(35,690,000)
Total net deferred tax liability	$ (27,831,000)	$ (34,026,000)

At September 30, 2014, the Company had a gross NOL for U.S. federal income tax purposes of approximately $32,012,000. This NOL will begin to expire in 2031. The Company will carry forward the net federal NOL of approximately $11,205,000. The Company also had net state NOLs that will affect state taxes of approximately $792,000 at September 30, 2014. State NOLs will begin to expire in 2015. Carryback provisions are not allowed by all states, accordingly the state NOLs give rise to a deferred tax asset. Several of these carry forwards are primarily available in states where the Company believes the assets cannot be deemed to be more likely than not realizable. Based on management's belief that the net operating loss carry forwards are not realizable, a $278,000 valuation allowance was maintained to offset these deferred tax assets as of September 30, 2014. The Company also has Canadian deferred tax assets that will begin to expire in 2032. The Company has recorded a valuation allowance of $2,492,000 against the Canadian deferred tax asset because management believes it is currently not more likely than not to be realizable.

The Company did not have any unrecognized tax benefits in fiscal 2014 or 2013. The Company's policy is to recognize interest and penalties related to unrecognized tax benefits in income tax expense. There were no interest and penalties recognized in fiscal 2014 or 2013. In fiscal year 2012, there were interest and penalties included in the Consolidated Statements of Operations and Other Comprehensive (Loss) Income of $(98,000).

12. Net (Loss) Income per Share Attributable to Common Stock

Net (loss) income per share attributable to common stock is calculated using the two-class method. The two-class method is an allocation method of calculating earnings (loss) per share when a company's capital structure includes participating securities that have rights to undistributed earnings. The Company's employees and officers that hold unvested restricted stock are entitled to dividends when the Company pays dividends.

The Company's basic net (loss) income per share attributable to common stock is computed by reducing the Company's net (loss) income by the net income allocable to unvested restricted stockholders that have a right to participate in earnings. The Company's employees and officers that hold unvested restricted stock do not participate in losses because they are not contractually obligated to do so. The undistributed earnings are allocated based on the relative percentage of the weighted average shares of unvested restricted stock and the total of the weighted average common shares outstanding plus the weighted average unvested

restricted stock shares. The basic net (loss) income per share attributable to common stock is computed by dividing the net (loss) income attributable to common stock by the weighted average shares outstanding. The Company's dilutive net (loss) income per share attributable to common stock is computed by adjusting basic net (loss) income per share attributable to common stock by diluted income allocable to unvested restricted stock divided by weighted average diluted shares outstanding. A reconciliation of the basic and diluted earnings (loss) per share attributable to common stock is as follows:

	Year Ended September 30,		
	2014	2013	2012(a)
		(in 000's)	
Net (loss) income	$ (12,620)	$ 10,480	$ 11,113
Income allocable to unvested restricted stock	(25)	(136)	(158)
Basic (loss) income attributable to common stock	$ (12,645)	$ 10,344	$ 10,955
Reallocation of participating earnings	—	1	—
Diluted (loss) income attributable to common stock	$ (12,645)	$ 10,345	$ 10,955
Weighted average common shares outstanding:			
Basic:	7,959,452	7,879,614	7,841,722
Dilutive common stock options and restricted stock units	—	40,751	35,385
Diluted:	7,959,452	7,920,365	7,877,107
Basic (loss) income attributable to a share of common stock	$ (1.59)	$ 1.31	$ 1.40
Diluted (loss) income attributable to a share of common stock	$ (1.59)	$ 1.31	$ 1.39

(a) The 2012 earnings per share calculations have been adjusted for the two-class method to reflect restricted shares that were not reflected as participating in the prior period. Basic earnings per share as previously reported for the year ended September 30, 2012 was $1.42. Diluted earnings per share as previously reported for the year ended September 30, 2012 was $1.40. Basic weighted average shares outstanding as previously reported for the year ended September 30, 2012 was 7,841,722. Diluted weighted average shares outstanding as previously reported for the year ended September 30, 2012 was 7,931,593. The impact on all prior period financial statements is deemed immaterial.

The Company had a net loss in 2014. As a result, all stock options and restricted stock units were antidilutive and excluded from weighted average shares used in determining the loss attributable to a share of common stock for the period.

The following weighted average numbers of certain securities have been excluded from the calculation of diluted (loss) income per share attributable to common stock, as their effects would be anti-dilutive.

Year Ended September 30,

	2014	2013	2012
Stock options	92,100	—	—
Restricted stock units	18,962	—	—
Total	111,062	—	—

Shares of 103,500, 103,500 and 184,600 unvested restricted stock at September 30, 2014, 2013 and 2012, respectively, are included in common stock outstanding as such shares have a nonforfeitable right to participate in any dividends that might be declared and have the right to vote. Weighted average shares of unvested restricted stock included in common stock outstanding were as follows:

	2014	2013	2012
Unvested restricted stock	103,500	169,649	113,426

13. Major Clients

The Company operates in only one business segment, contract seismic data acquisition and processing services. The major clients in fiscal 2014, 2013 and 2012 have varied. Sales to these clients, as a percentage of operating revenues that exceeded 10%, were as follows:

	2014	2013	2012
A	16%	19%	—
B	13%	17%	—
C	12%	—	—
D	—	—	21%

The Company does not believe that it is dependent upon one client.

14. Commitments and Contingencies

From time to time, the Company is a party to various legal proceedings arising in the ordinary course of business. Although the Company cannot predict the outcomes of any such legal proceedings, management believes that the resolution of pending legal actions will not have a material adverse effect on the Company's financial condition, results of operations or liquidity as the Company believes it is adequately indemnified and insured.

The Company experiences contractual disputes with its clients from time to time regarding the payment of invoices or other matters. While the Company seeks to minimize these disputes and maintain good relations with its clients, the Company has in the past, and may in the future, experience disputes that could affect its revenues and results of operations in any period.

The Company has non-cancelable operating leases for office space in Midland, Houston, Denver, Oklahoma City, Pittsburgh and Calgary, Alberta.

The following table summarizes payments due in specific periods related to the Company's contractual obligations with initial terms exceeding one year as of September 30, 2014.

	Payments Due by Period (in 000's)				
	Total	Within 1 Year	2-3 Years	4-5 Years	After 5 Years
Operating lease obligations (office space)	$ 2,534	$ 984	$ 1,105	$ 318	$ 127

Some of the Company's operating leases contain predetermined fixed increases of the minimum rental rate during the initial lease term. For these leases, the Company recognizes the related expense on a straight-line basis and records deferred rent as the difference between the amount charged to expense and the rent paid. Rental expense under the Company's operating leases with initial terms exceeding one year was $965,000, $900,000 and $805,000 for fiscal 2014, 2013 and 2012, respectively.

As of September 30, 2014, the Company had unused letters of credit totaling approximately $233,000. The Company's letters of credit principally back obligations associated with the Company's self-insured retention on workers' compensation claims. Effective in fiscal 2012, the Company was no longer self-insured for workers' compensation claims after October 1, 2011. The unused letters of credit outstanding at September 30, 2014 are associated with workers' compensation claims outstanding prior to October 1, 2011.

15. Rights Agreement

On July 8, 2009, the Board of Directors of the Company authorized and declared a dividend to the holders of record at the close of business on July 23, 2009 of one Right (a "Right") for each outstanding share of the Company's common stock. When exercisable, each Right will entitle the registered holder to purchase from the Company a unit consisting of one one-hundredth of a share (a "Fractional Share") of Series A Junior Participating Preferred Stock, par value $1.00 per share, of the Company (the "Preferred Shares"), at a purchase price of $130.00 per Fractional Share, subject to adjustment (the "Purchase Price"). The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") effective as of the close of business on July 23, 2009 as it may from time to time be supplemented or amended between the Company and Computershare Shareowner Services LLC (formerly Mellon Investor Services LLC), as Rights Agent. The Rights Agreement replaced the previous rights plan that was originally adopted in 1999 which expired on July 23, 2009.

Initially, the Rights are attached to all certificates representing outstanding shares of Common Stock. The Rights will only separate from the Common Stock and a "Distribution Date" will only occur, with certain exceptions, upon the earlier of (i) ten days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of Common Stock, or (ii) ten business days following the commencement of a tender offer or exchange offer that would result in a person's becoming an Acquiring Person. In certain circumstances, the Distribution Date may be deferred by the Board of Directors.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on July 23, 2019, unless earlier redeemed or exchanged by the Company as described below.

In the event (a "Flip-In Event") that a person becomes an Acquiring Person (except pursuant to a tender or exchange offer for all outstanding shares of Common Stock at a price and on terms that a majority of the directors of the Company who are not, and are not representatives, nominees, Affiliates or Associates of, an Acquiring Person or the person making the offer determines to be fair to and otherwise in the best interests of the Company and its shareholders (a "Permitted Offer")), each holder of a Right will thereafter have the right to receive, upon exercise of such Right, a number of shares of Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a Current Market Price (as defined in the Rights Agreement) equal to two times the exercise price of the Right. Notwithstanding the foregoing, following the occurrence of any Triggering Event, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by or transferred to an Acquiring Person (or by certain related parties) will be null and void in the circumstances set forth in the Rights Agreement. However, Rights are not exercisable following the occurrence of any Flip-In Event until such time as the Rights are no longer redeemable by the Company as set forth below.

In the event (a "Flip-Over Event") that, at any time from and after the time an Acquiring Person becomes such, (i) the Company is acquired in a merger or other business combination transaction (other than certain mergers that follow a Permitted Offer), or (ii) 50% or more of the Company's assets, cash flow or earning power is sold or transferred, each holder of a Right (except Rights that are voided as set forth above) shall thereafter have the right to receive, upon exercise, a number of shares of common stock of the acquiring company having a Current Market Price equal to two times the exercise price of the Right. Flip-In Events and Flip-Over Events are collectively referred to as "Triggering Events."

At any time until ten days following the first date of public announcement of the occurrence of a Flip-In Event, the Company may redeem the Rights in whole, but not in part, at a price of $0.01 per Right, payable, at the option of the Company, in cash, shares of Common Stock or such other consideration as the Board of Directors may determine. After a person becomes an Acquiring Person, the right of redemption is subject to certain limitations in the Rights Agreement.

At any time after the occurrence of a Flip-In Event and prior to a person's becoming the beneficial owner of 50% or more of the shares of Common Stock then outstanding or the occurrence of a Flip-Over Event, the Company may exchange the Rights (other than Rights owned by an Acquiring Person or an affiliate or an associate of an Acquiring Person, which will have become void), in whole or in part, at an exchange ratio of one share of Common Stock, and/or other equity securities deemed to have the same value as one share of Common Stock, per Right, subject to adjustment.

Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends.

On October 8, 2014, the Company entered into a first amendment to the Rights Agreement rendering the Rights Agreement inapplicable to the Merger Agreement (as defined below) and the transactions contemplated thereby.

16. Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently evaluating the new guidance to select a transition method and determine the impact it will have on its consolidated financial statements.

17. Concentrations of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk at any given time may consist of cash and cash equivalents, money market funds and overnight investment accounts, short-term investments in certificates of deposit, trade and other receivables and other current assets. At September 30, 2014 and 2013, the Company had deposits with domestic and international banks in excess of federally insured limits. Management believes the credit risk associated with these deposits is minimal. Money market funds seek to preserve the value of the investment, but it is possible to lose money investing in these funds.

The Company's sales are to clients whose activities relate to oil and natural gas exploration and production. The Company generally extends unsecured credit to these clients; therefore, collection of receivables may be affected by the economy surrounding the oil and natural gas industry or other economic conditions. The Company closely monitors extensions of credit and may negotiate payment terms that mitigate risk.

18. Subsequent Events

Quarterly Dividend

On November 10, 2014, the Company's Board of Directors approved the payment on December 8, 2014 of an $.08 per share quarterly cash dividend to Company's shareholders of record at the close of business on November 24, 2014. The quarterly dividend represents an aggregate distribution of approximately $645,000 based on outstanding number of shares of Common Stock as of the declaration date, or approximately $2,580,000 on an annualized basis.

Pending Merger Transaction

On October 8, 2014, the Company entered into a Merger Agreement (the "Merger Agreement") with TGC Industries, Inc., a Texas corporation ("TGC"), and Riptide Acquisition Corp., a Texas corporation and a wholly owned subsidiary of TGC ("Merger Sub"), pursuant to which Merger Sub will merge with and into the Company, with the Company continuing after the merger as the surviving entity and a wholly owned subsidiary of TGC.

The Merger Agreement has been approved by both companies' boards of directors. Under the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time") TGC will amend its certificate of formation to change its name to "Dawson Geophysical Company" (the "Name Change"). Immediately prior to the Effective Time, TGC will effect a reverse stock split with respect to its common stock, par value $0.01 per share ("TGC Common Stock"), on a one-for-three ratio (the "Reverse Stock Split") to reduce the total number of shares of TGC Common Stock outstanding from approximately 22,001,125 to approximately 7,333,708. After giving effect to the Reverse Stock Split, in connection with the Merger each issued and outstanding share of common stock, par value $0.33-1/3 per share of the Company (the "Company Common Stock") (other than shares of Company Common Stock owned by TGC, Merger Sub or the Company or any wholly owned subsidiary of the Company) will be automatically converted into the right to receive 1.760 shares of TGC split-effected Common Stock.

The parties have made customary representations and warranties and agreed to customary covenants in the Merger Agreement. In addition, the Company and TGC have each agreed to certain pre-closing covenants in the Merger Agreement, including, among other things, covenants that the Company and TGC will, and will cause its subsidiaries to, during the period between the date of the Merger Agreement and the Effective Time, conduct its business only in the ordinary course of business consistent with past practice and that each of the Company and TGC will not engage in certain types of transactions without the consent of the other during such period.

The Company is required to pay TGC a termination fee of $2.0 million in the event the Merger Agreement is terminated because:

- an acquisition proposal relating to at least 50% of the Company's common stock or assets is made public and subsequent to such public announcement,
  - the Merger Agreement is terminated due to (1) the Merger not closing on or before March 31, 2015 (or, in certain circumstances, May 31, 2015), (2) the Company's shareholders not approving the Merger Agreement or (3) the Company breaching or failing to perform any of its representations and warranties, covenants or agreements in the Merger Agreement, and
  - the Company enters into a definitive agreement relating to an acquisition proposal within one year after termination of the Merger Agreement;
- the Company's board of directors changes, or fails to reaffirm when requested by TGC, its recommendation that the Company's shareholders approve the Merger Agreement; or
- the Company enters into a superior proposal.

Furthermore, either the Company or TGC will have to pay to the other party out-of-pocket expenses, including all fees and expenses payable to all legal, accounting, financial, public relations and other professional advisors arising out of, in connection with, or related to the Merger, up to a maximum of $1.5 million in the aggregate, if the Merger Agreement is terminated under certain circumstances.

Completion of the Merger is subject to certain customary conditions.

19. Quarterly Consolidated Financial Data (Unaudited)

	Quarter Ended			
	December 31	**March 31**	**June 30**	**September 30**
Fiscal 2014:				
Operating revenues	$ 68,181,000	$ 76,766,000	$ 54,166,000	$ 62,570,000
(Loss) income from operations	$ (4,967,000)	$ 2,822,000	$ (9,228,000)	$ (6,531,000)
Net (loss) income	$ (2,897,000)	$ 1,652,000	$ (7,493,000)	$ (3,882,000)
Basic (loss) income per share attributable to common stock	$ (0.36)	$ 0.20	$ (0.94)	$ (0.49)
Diluted (loss) income per share attributable to common stock	$ (0.36)	$ 0.20	$ (0.94)	$ (0.49)
Fiscal 2013:				
Operating revenues	$ 76,629,000	$ 83,350,000	$ 75,647,000	$ 69,673,000
Income (loss) from operations	$ 5,194,000	$ 10,598,000	$ 6,851,000	$ (2,463,000)
Net income (loss)	$ 2,928,000	$ 6,279,000	$ 4,063,000	$ (2,790,000)
Basic income (loss) per share attributable to common stock	$ 0.36	$ 0.78	$ 0.50	$ (0.35)
Diluted income (loss) per share attributable to common stock	$ 0.36	$ 0.78	$ 0.50	$ (0.35)

Basic and diluted (loss) income per share attributable to common stock are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted information may not equal the annual basic and diluted (loss) income per share attributable to common stock.

Exhibit 99.2

DAWSON OPERATING COMPANY (FORMERLY KNOWN AS DAWSON GEOPHYSICAL COMPANY)

CONSOLIDATED BALANCE SHEETS

	December 31, 2014 (unaudited)	September 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,644,000	$ 22,753,000
Short-term investments	28,750,000	27,000,000
Accounts receivable, net of allowance for doubtful accounts of $250,000 at December 31, 2014 and September 30, 2014	37,133,000	39,995,000
Prepaid expenses and other assets	5,703,000	2,420,000
Current deferred tax asset	2,818,000	5,977,000
Total current assets	89,048,000	98,145,000
Property, plant and equipment	339,245,000	337,922,000
Less accumulated depreciation	(181,453,000)	(173,428,000)
Net property, plant and equipment	157,792,000	164,494,000
Total assets	$ 246,840,000	$ 262,639,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,849,000	$ 10,720,000
Accrued liabilities:		
Payroll costs and other taxes	3,015,000	1,998,000
Other	3,158,000	4,097,000
Deferred revenue	1,752,000	801,000
Current maturities of notes payable and obligations under capital leases	6,018,000	6,752,000
Total current liabilities	19,792,000	24,368,000
Long-term liabilities:		
Notes payable and obligations under capital leases less current maturities	4,209,000	4,933,000
Deferred tax liability	28,621,000	33,808,000
Total long-term liabilities	32,830,000	38,741,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock-par value $1.00 per share; 5,000,000 shares authorized, none outstanding	—	—
Common stock-par value $.33 1/3 per share; 50,000,000 shares authorized, 8,077,580 and 8,065,233 shares issued and outstanding at December 31, 2014 and September 30, 2014, respectively	2,694,000	2,688,000
Additional paid-in capital	96,532,000	96,086,000
Retained earnings	95,336,000	100,973,000
Accumulated other comprehensive loss, net of tax	(344,000)	(217,000)
Total stockholders' equity	194,218,000	199,530,000
Total liabilities and stockholders' equity	$ 246,840,000	$ 262,639,000

See accompanying notes to the consolidated financial statements (unaudited).

DAWSON OPERATING COMPANY (FORMERLY KNOWN AS DAWSON GEOPHYSICAL COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

	Three Months Ended December 31,	
	2014	2013
Operating revenues	$ 50,802,000	$ 68,181,000
Operating costs:		
Operating expenses	42,957,000	59,108,000
General and administrative	5,093,000	4,164,000
Depreciation	9,736,000	9,876,000
	57,786,000	73,148,000
Loss from operations	(6,984,000)	(4,967,000)
Other income (expense):		
Interest income	20,000	17,000
Interest expense	(93,000)	(135,000)
Other income (expense)	154,000	(49,000)
Loss before income tax	(6,903,000)	(5,134,000)
Income tax benefit	1,912,000	2,237,000
Net loss	$ (4,991,000)	$ (2,897,000)
Other comprehensive loss:		
Net unrealized loss on foreign exchange rate translation, net of tax	$ (127,000)	$ —
Comprehensive loss	$ (5,118,000)	$ (2,897,000)

Basic loss per share attributable to common stock	$ (0.63)	$ (0.36)
Diluted loss per share attributable to common stock	$ (0.63)	$ (0.36)
Cash dividend declared per share of common stock	$ 0.08	$ —
Weighted average equivalent common shares outstanding	7,965,757	7,956,215
Weighted average equivalent common shares outstanding-assuming dilution	7,965,757	7,956,215

See accompanying notes to the consolidated financial statements (unaudited).

DAWSON OPERATING COMPANY (FORMERLY KNOWN AS DAWSON GEOPHYSICAL COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended December 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (4,991,000)	$ (2,897,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	9,736,000	9,876,000
Noncash compensation	451,000	404,000
Deferred income tax benefit	(1,951,000)	(1,818,000)
Other	(613,000)	243,000
Change in current assets and liabilities:		
Decrease (increase) in accounts receivable	2,862,000	(18,166,000)
Increase in prepaid expenses and other assets	(3,283,000)	(3,533,000)
Decrease in accounts payable	(4,923,000)	(4,327,000)
Increase (decrease) in accrued liabilities	78,000	(1,038,000)
Increase (decrease) in deferred revenue	951,000	(453,000)
Net cash used in operating activities	(1,683,000)	(21,709,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, net of noncash capital expenditures summarized below	(2,555,000)	(23,835,000)
Proceeds from maturity of short-term investments	7,750,000	8,000,000
Acquisition of short-term investments	(9,500,000)	(10,500,000)
Proceeds from disposal of assets	631,000	4,000
Net cash used in investing activities	(3,674,000)	(26,331,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	—	10,000,000
Principal payments on notes payable	(1,783,000)	(2,313,000)
Principal payments on capital lease obligations	(288,000)	(206,000)
Proceeds from exercise of stock options	—	14,000
Dividends paid	(646,000)	—
Net cash (used in) provided by financing activities	(2,717,000)	7,495,000
Effect of exchange rate changes in cash and cash equivalents	(35,000)	—
Net decrease in cash and cash equivalents	(8,109,000)	(40,545,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,753,000	52,405,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 14,644,000	$ 11,860,000
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 93,000	$ 117,000
Cash received for income taxes	$ 18,000	$ 3,000
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Increase in accrued purchases of property and equipment	$ 52,000	$ 353,000
Capital lease obligations incurred	$ 651,000	$ —

See accompanying notes to the consolidated financial statements (unaudited).

DAWSON OPERATING COMPANY (FORMERLY KNOWN AS DAWSON GEOPHYSICAL COMPANY)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND NATURE OF OPERATIONS

Founded in 1952, Dawson Operating Company (formerly known as Dawson Geophysical Company) (the "Company" or "Legacy Dawson") acquires and processes 2-D, 3-D and multi-component seismic data 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

In the opinion of management of the Company, the accompanying unaudited financial statements reflect all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results for the periods presented. The results of operations for the three months ended December 31, 2014 are not necessarily indicative of the results to be expected for the fiscal year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in this Form 10-Q report pursuant to certain rules and regulations of the Securities and Exchange Commission (the "SEC"). These financial statements should be read with the financial statements and notes included in Legacy Dawson's Form 10-K for the fiscal year ended September 30, 2014.

As discussed more fully in Note 9, on February 11, 2015, Legacy Dawson completed the merger with a wholly-owned subsidiary ("Merger Sub") of Dawson Geophysical Company (formerly known as TGC Industries, Inc.) ("Legacy TGC"), with Legacy Dawson continuing after the merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC (the "Merger"). In connection with the Merger, Legacy Dawson changed its fiscal year end from September 30 to December 31. As a result of the change in the Company's fiscal year-end, the three month period ended December 31, 2014 is treated as a separate tax year. Therefore, income taxes for the three month period ended December 31, 2014 were computed using the actual tax rate. As a result, income taxes for the three month period ended December 31, 2014 as reported herein, and the related impact of such income taxes on the Company's results of operations, differ from the income taxes and related results that were previously reported for the same period in the Form 10-Q filed by Legacy Dawson on February 6, 2015, which computed income taxes using the effective tax rate estimated to be applicable for the full fiscal year ending September 30, 2015. Income taxes for the three months ended December 31, 2013 were computed using the effective tax rate estimated to be applicable for the full fiscal year ended September 30, 2014.

Significant Accounting Policies

The preparation of the Company's financial statements in conformity with generally accepted accounting principles requires that certain assumptions and estimates be made that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Because of the use of assumptions and estimates inherent in the reporting process, actual results could differ from those estimates.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Dawson Seismic Services Holdings, Inc. and Dawson Seismic Services ULC. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents. The Company considers demand deposits, certificates of deposit, overnight investments, money market funds and all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts. Management prepares its allowance for doubtful accounts receivable based on its review of past-due accounts, its past experience of historical write-offs and its current client base. While the collectability of outstanding client invoices is continually assessed, the inherent volatility of the energy industry's business cycle can cause swift and unpredictable changes in the financial stability of the Company's clients.

Property, Plant and Equipment. Property, plant and equipment is capitalized at historical cost and depreciated over the useful life of the asset. Management's estimation of this useful life is based on circumstances that exist in the seismic industry and information available at the time of the purchase of the asset. As circumstances change and new information becomes available, these estimates could change.

Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet, and any resulting gain or loss is reflected in the results of operations for the period.

Impairment of Long-lived Assets. Long-lived assets are reviewed for impairment when triggering events occur that suggest deterioration in the assets' recoverability or fair value. Recognition of an impairment charge is required if future expected undiscounted net cash flows are insufficient to recover the carrying value of the assets and the fair value of the assets is below the carrying value of the assets. Management's forecast of future cash flows used to perform impairment analysis includes estimates of future revenues and expenses based on the Company's anticipated future results while considering anticipated future oil and natural gas prices, which is fundamental in assessing demand for the Company's services. If the carrying amounts of the assets exceed the estimated expected undiscounted future cash flows, the Company measures the amount of possible impairment by comparing the carrying amount of the assets to the fair value.

Leases. The Company leases certain equipment and vehicles under lease agreements. The Company evaluates each lease to determine its appropriate classification as an operating or capital lease for financial reporting purposes. Any lease that does not meet the criteria for a capital lease is accounted for as an operating lease. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the related assets. Assets under capital leases are amortized using the straight-line method over the initial lease term. Amortization of assets under capital leases is included in depreciation expense.

Revenue Recognition. Services are provided under cancelable service contracts. These contracts are either "turnkey" or "term" agreements. Under both types of agreements, the Company recognizes revenues when revenue is realizable and services have been performed. Services are defined as the commencement of data acquisition or processing operations. Revenues are considered realizable when earned according to the terms of the service contracts. Under turnkey agreements, revenue is recognized on a per unit of data acquired rate as services are performed. Under term agreements, revenue is recognized on a per unit of time worked rate as services are performed. In the case of a cancelled service contract, revenue is recognized and the customer is billed for services performed up to the date of cancellation.

The Company receives reimbursements for certain out-of-pocket expenses under the terms of the service contracts. Amounts billed to clients are recorded in revenue at the gross amount, including out-of-pocket expenses that are reimbursed by the client.

In some instances, customers are billed in advance of services performed. In those cases, the Company recognizes the liability as deferred revenue. As services are performed, those deferred revenue amounts are recognized as revenue.

In some instances, the contract contains certain permitting, surveying and drilling costs that are incorporated into the per unit of data acquired rate. In these circumstances, these set up costs that occur prior to initiating revenue recognition are capitalized and amortized as services are provided.

Stock-Based Compensation. The Company measures all employee stock-based compensation awards, which include restricted stock, restricted stock units, stock options and common stock awards, using the fair value method and recognizes compensation cost, net of estimated forfeitures, in its consolidated financial statements. The Company records compensation expense as operating or general and administrative expense as appropriate in the Consolidated Statements of Operations and Comprehensive Loss on a straight-line basis over the vesting period of the related restricted stock awards or stock options.

Foreign Currency Translation. The U.S. Dollar is the reporting currency for all periods presented. The functional currency of the Company's foreign subsidiaries is generally the local currency. All assets and liabilities denominated in a foreign currency are translated into U.S. Dollars at the exchange rate on the balance sheet date. Income and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates. Adjustments resulting from translation are recorded as a separate component of accumulated other comprehensive loss in the consolidated balance sheets. Foreign currency gains (losses) are included in the Consolidated Statements of Operations and Comprehensive Loss.

Income Taxes. The Company accounts for income taxes by recognizing amounts of taxes payable or refundable for the current year and by using an asset and liability approach in recognizing the amount of deferred tax assets and liabilities for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Management determines deferred taxes by identifying the types and amounts of existing temporary differences, measuring the total deferred tax asset or liability using the applicable tax rate in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the year of an enacted rate change. The deferred tax asset is reduced by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. Management's methodology for recording income taxes requires judgment regarding assumptions and the use of estimates, including determining the annual effective tax rate and the valuation of deferred tax

assets, which can create variances between actual results and estimates and could have a material impact on the Company's provision or benefit for income taxes. The Company's effective tax rates differ from the statutory federal rate of 35% for certain items such as state and local taxes, non-deductible expenses, discrete items and expenses related to share-based compensation that were not expected to result in a tax deduction.

Use of Estimates in the Preparation of Financial Statements. Preparation of the accompanying financial statements in conformity with generally accepted accounting principles 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. Because of the use of assumptions and estimates inherent in the reporting process, actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. Entities have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. The Company is currently evaluating the new guidance to determine the impact it will have on its consolidated financial statements and the method of adoption.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements - Going Concern" (Subtopic 205-40). This ASU provides guidance on management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and in certain circumstances to provide related footnote disclosures. This ASU is effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. The Company is currently evaluating the new guidance, however does not expect the adoption to have any impact on its consolidated financial statements.

3. SHORT-TERM INVESTMENTS

The Company had short-term investments at December 31, 2014 and September 30, 2014 consisting of certificates of deposit with original maturities greater than three months, but less than a year. Certificates of deposit are limited to one per banking institution and no single investment exceeded the FDIC insurance limit at December 31, 2014 or September 30, 2014.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

At December 31, 2014 and September 30, 2014, the Company's financial instruments included cash and cash equivalents, short-term investments in certificates of deposit, trade and other receivables, other current assets, accounts payable, other current liabilities, the Second Term Note, the Third Term Note and the DSS Term Note (each as defined below). Due to the short-term maturities of cash and cash equivalents, trade and other receivables, other current assets, accounts payable and other current liabilities, the carrying amounts approximate fair value at the respective balance sheet dates. The carrying value of the Company's Second Term Note approximates its fair value due to the fact that the interest is reset each month based on the prevailing market interest rate. The carrying value of the Company's Third Term Note and DSS Term Note approximate their fair value based on a comparison with the prevailing market interest rate. Due to the short-term maturities of the Company's investments in certificates of deposit, the carrying amounts approximate fair value at the respective balance sheet dates. The fair values of the Company's notes payable and investments in certificates of deposit are Level 2 measurements in the fair value hierarchy.

5. DEBT

The Company's revolving line of credit loan agreement is with Frost Bank. The agreement permits the Company to borrow, repay and reborrow, from time to time until June 2, 2015, up to $20.0 million based on the borrowing base calculation as defined in the agreement. The Company's obligations under this agreement are secured by a security interest in its accounts receivable, equipment and related collateral. Interest on the facility accrues at an annual rate equal to either the 30-day London Interbank Offered Rate ("LIBOR"), plus two and one-quarter percent, or the Prime Rate, minus three-quarters percent, as the Company directs monthly, subject to an interest rate floor of 4%. Interest on the outstanding amount under the loan agreement is payable monthly. The loan agreement contains customary covenants for credit facilities of this type, including limitations on disposition of assets, mergers and reorganizations. The Company is also obligated to meet certain financial covenants under the loan agreement, including maintaining

specified ratios with respect to cash flow coverage, current assets and liabilities and debt to tangible net worth. The Company was in compliance with all covenants including specified ratios as of December 31, 2014 and has the full line of credit available for borrowing. The Company did not utilize the revolving line of credit during the current fiscal year or the fiscal year ended September 30, 2014.

The Company's credit loan agreement includes a term loan feature under which the Company has two outstanding term loans. In June 2011, the Company entered into the first term loan ("Term Note"). The Term Note was repaid according to its terms on June 30, 2014.

In May 2012, the Company entered into a Multiple Advance Term Note ("Second Term Note") under its credit loan agreement. Subject to the terms of the Third Term Note described below, the Second Term Note allows the Company to borrow from time to time up to $15.0 million to purchase equipment. The outstanding principal under the Second Term Note is amortized over a period of 36 months. The Second Term Note bears interest at an annual rate equal to either the 30-day LIBOR, plus two and one-quarter percent, or the Prime Rate, minus three-quarters percent, as the Company directs monthly, subject to an interest rate floor of 3.75%, and otherwise has the same terms as the revolving line of credit. In July 2012, the Company borrowed $9,346,000 under the Second Term Note to purchase Geospace Technologies GSR recording equipment. The Second Term Note is collateralized by a security interest in the Company's accounts receivable, equipment and related collateral and matures with all outstanding balances due on May 2, 2015.

In December 2013, the Company entered into a second Multiple Advance Term Note ("Third Term Note") under its credit loan agreement. The Third Term Note allows the Company to borrow from time to time up to $10.0 million to purchase equipment. Per the agreement, the Company will be unable to receive an advance for the remainder of the $15.0 million balance of the Second Term Note. The outstanding principal under the Third Term Note is amortized over a period of 36 months. The Third Term Note bears interest at an annual fixed rate equal to 3.16%, and otherwise has the same terms as the revolving line of credit. In December 2013, the Company borrowed the full amount of $10.0 million under the Third Term Note to purchase Geospace Technologies GSX recording equipment. The Third Term Note is collateralized by a security interest in the Company's accounts receivable, equipment and related collateral and matures with all outstanding balances due on December 2, 2016.

In February 2013, the Company's subsidiary DSS entered into a promissory note ("DSS Term Note") with Wells Fargo Equipment Finance Company. DSS obtained $983,000 in financing for the purchase of equipment. The DSS Term Note is repayable over a period of 36 months at $28,980 per month and bears interest at an implied annual fixed rate of 3.84%. The DSS Term Note is collateralized by a security interest in the DSS equipment and matures with all outstanding balances due on February 5, 2016.

During fiscal 2012, the Company began leasing vehicles from Enterprise Fleet Management under capital leases. These capital lease obligations are payable in 36 to 60 monthly installments and mature between December 2014 and November 2017. At December 31, 2014, the Company had leased 112 vehicles under these capital leases.

The Company's notes payable and obligations under capital leases consist of the following:

	December 31, 2014	September 30, 2014
Second Term Note	$ 1,435,000	$ 2,287,000
Third Term Note	6,780,000	7,594,000
DSS Term Note	362,000	483,000
Revolving line of credit	—	—
Obligations under capital leases	1,650,000	1,321,000
	10,227,000	11,685,000
Less current maturities of notes payable and obligations under capital leases	(6,018,000)	(6,752,000)
	$ 4,209,000	$ 4,933,000

The aggregate maturities of the notes payable and obligations under capital leases at December 31, 2014 are as follows:

January 2015 — December 2015	$ 6,018,000
January 2016 — December 2016	3,961,000
January 2017 — December 2017	248,000
	$ 10,227,000

6. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is a party to various legal proceedings arising in the ordinary course of business. Although the Company cannot predict the outcomes of any such legal proceedings, management believes that the resolution of pending legal actions will not have a material adverse effect on the Company's financial condition, results of operations or liquidity, as the Company believes it is adequately indemnified and insured.

The Company experiences contractual disputes with its clients from time to time regarding the payment of invoices or other matters. While the Company seeks to minimize these disputes and maintain good relations with its clients, the Company has in the past experienced, and may in the future experience, disputes that could affect its revenues and results of operations in any period.

The Company has non-cancelable operating leases for office space in Midland, Houston, Denver, Oklahoma City, Pittsburgh and Calgary, Alberta.

The following table summarizes payments due in specific periods related to the Company's contractual obligations with initial terms exceeding one year as of December 31, 2014.

	Payments Due by Period (in 000's)				
	Total	Within 1 Year	2-3 Years	4-5 Years	After 5 Years
Operating lease obligations (office space)	$ 2,287	$ 931	$ 962	$ 299	$ 95

Some of the Company's operating leases contain predetermined fixed increases of the minimum rental rate during the initial lease term. For these leases, the Company recognizes the related expense on a straight-line basis and records deferred rent as the difference between the amount charged to expense and the rent paid. Rental expense under the Company's operating leases with initial terms exceeding one year was $242,000 and $240,000 for the three month periods ended December 31, 2014 and 2013, respectively.

As of December 31, 2014, the Company had unused letters of credit totaling approximately $233,000. The Company's letters of credit principally back obligations associated with the Company's self-insured retention on workers' compensation claims. The Company was no longer self-insured for workers' compensation claims after October 1, 2011. The unused letters of credit outstanding at December 31, 2014 are associated with workers' compensation claims outstanding prior to October 1, 2011.

7. NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO COMMON STOCK

Net (loss) income per share attributable to common stock is calculated using the two-class method. The two-class method is an allocation method of calculating (loss) earnings per share when a company's capital structure includes participating securities that have rights to undistributed earnings. The Company's employees and officers that hold unvested restricted stock are entitled to dividends when the Company pays dividends.

The Company's basic net (loss) income per share attributable to common stock is computed by reducing the Company's net (loss) income by the net (loss) income allocable to unvested restricted stockholders that have a right to participate in earnings. The Company's employees and officers that hold unvested restricted stock do not participate in losses because they are not contractually obligated to do so. The undistributed earnings are allocated based on the relative percentage of the weighted average unvested restricted stock awards. The basic net (loss) income per share attributable to common stock is computed by dividing the net (loss) income attributable to common stock by the weighted average shares outstanding. The Company's dilutive net (loss) income per share attributable to common stock is computed by adjusting basic net (loss) income per share attributable to common stock by diluted (loss) income allocable to unvested restricted stock divided by weighted average diluted shares outstanding. A reconciliation of the basic and diluted loss per share attributable to common stock is as follows:

	Three Months Ended December 31,	
	2014	2013
	(in 000's)	
Net loss	$ (4,991)	$ (2,897)
Income allocable to unvested restricted stock	(8)	—
Basic loss attributable to common stock	$ (4,999)	$ (2,897)
Reallocation of participating earnings	—	—
Diluted loss attributable to common stock	$ (4,999)	$ (2,897)

	Three Months Ended December 31,	
	2014	2013
	(in 000's)	
Weighted average common shares outstanding:		
Basic	7,965,757	7,956,215
Dilutive common stock options and restricted stock units	—	—
Diluted	7,965,757	7,956,215
Basic loss attributable to a share of common stock	$ (.63)	$ (0.36)
Diluted loss attributable to a share of common stock	$ (.63)	$ (0.36)

The Company had a net loss in the three months ended December 31, 2014 and 2013. As a result, all stock options and restricted stock units were anti-dilutive and excluded from weighted average shares used in determining the loss attributable to share of common stock for the respective periods.

The following weighted average numbers of certain securities have been excluded from the calculation of diluted loss per share attributable to common stock, as their effect would be anti-dilutive:

	Three Months Ended December 31,	
	2014	2013
Stock options	91,150	92,476
Restricted stock units	37,737	8,647
Total	128,887	101,123

Shares of 103,500 unvested restricted stock at December 31, 2014 and 2013 are included in common stock outstanding as such shares have a nonforfeitable right to participate in any dividends that might be declared and have the right to vote.

8. QUARTERLY DIVIDEND

On February 3, 2014, the Company's Board of Directors approved the commencement of the payment of an $0.08 per share quarterly cash dividend to shareholders, subject to capital availability and a determination that cash dividends continue to be in the best interest of the Company. Quarterly dividends were paid on February 24, 2014, May 30, 2014, August 29, 2014 and December 8, 2014 to shareholders of record at the close of business on February 14, 2014, May 16, 2014, August 15, 2014 and November 24, 2014, respectively, representing an aggregate dividend of approximately $645,000 based on the number of issued and outstanding shares of Common Stock as of the declaration date, or approximately $2,580,000 on an annualized basis.

Following the Merger, the combined Company's Board of Directors, after consideration of general economic and market conditions affecting the energy industry in general, and the oilfield services business in particular, has determined that the Company will not pay a dividend in respect of the quarters ended December 31, 2014 and March 31, 2015 or for the foreseeable future. Payment of any dividends in the future will be at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital and legal requirements, and other factors deemed relevant by the Board of Directors.

9. SUBSEQUENT EVENTS

Demand Letters and Litigation

On January 7, 2015, Andrew Speese, through his attorney, filed a purported shareholder class action and derivative action relating to the Merger on behalf of himself and Legacy Dawson's other shareholders in the United States District Court for the Western District of Texas (Midland/Odessa Division), against Legacy Dawson, Legacy Dawson's directors prior to the Merger, Legacy TGC and Merger Sub. The lawsuit alleges, among other things, that the members of Legacy Dawson's Board of Directors at the time the action was initiated (the "Legacy Dawson Board") breached their fiduciary duties in connection with the strategic business combination with Legacy TGC, and that Legacy Dawson's registration statement dated November 6, 2014, as subsequently amended, and prospectus filed on December 31, 2014 contain material omissions and materially misleading statements. The complaint sought to enjoin Legacy Dawson, Legacy TGC and Merger Sub from taking any actions that would allow the consummation of the proposed strategic business combination contemplated by the merger agreement or, now that the strategic business combination has been consummated, a judgment for damages.

In addition, on January 8, 2015, Legacy Dawson received a letter dated January 7, 2015 from legal counsel for Andrew Speese with respect to the lawsuit described above demanding that the Legacy Dawson Board take legal action to remedy alleged breaches of fiduciary duties in connection with the strategic business combination and to recover damages caused by such alleged breaches. This demand letter was in addition to the letter dated December 18, 2014 that Legacy Dawson received on December 22, 2014 from legal counsel for another purported shareholder demanding that the Legacy Dawson Board take appropriate legal action against the members of the Legacy Dawson Board (the "December Demand Letter"). The December Demand Letter alleges conflicts of interest on the part of certain of Legacy Dawson officers and directors in connection with the Merger, disclosure deficiencies by Legacy Dawson with respect to the Merger and the negotiations leading to the merger agreement and breaches of fiduciary duties by such persons in connection with such matters. The December Demand Letter also demanded that Legacy Dawson make various corrective disclosures concerning the Merger.

The Legacy Dawson Board formed a Special Litigation Committee, which committee is authorized to retain independent legal counsel, to investigate the claims in the demand letters described above and to determine whether any of the derivative claims should be pursued. That committee is continuing to function following the consummation of the Merger.

On March 16, 2015, Andrew Speese, through his attorney, dismissed these claims without prejudice. Accordingly, only the December Demand Letter remains outstanding as of the filing of this report.

Merger

As discussed in Note 1 above, on February 11, 2015, Legacy Dawson completed the merger with Merger Sub, with Legacy Dawson continuing after the Merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC. Immediately prior to the effective time of the Merger, Legacy TGC effected a reverse stock split with respect to its common stock, par value $0.01 per share ("Legacy TGC Common Stock"), on a one-for-three ratio (the "Reverse Stock Split") to reduce the total number of shares of Legacy TGC Common Stock outstanding from approximately 22,001,125 to approximately 7,333,708. After giving effect to the Reverse Stock Split, at the effective time of the Merger, without any action on the part of any shareholder, each issued and outstanding share of Legacy Dawson's common stock, par value $0.33-1/3 per share (the "Legacy Dawson Common Stock"), including shares underlying Legacy Dawson's outstanding equity awards (but excluding any shares of Legacy Dawson Common Stock owned by Legacy TGC, Merger Sub or Legacy Dawson or any wholly-owned subsidiary of Legacy Dawson), were converted into the right to receive 1.760 shares of Legacy TGC Common Stock.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED

FINANCIAL INFORMATION

Introduction

On February 11, 2015, Dawson Geophysical Company ("Dawson Geophysical"), which was formerly known as TGC Industries, Inc. ("Legacy TGC"), completed its previously announced strategic business combination with Dawson Operating Company, which was formerly known as Dawson Geophysical Company ("Legacy Dawson"), pursuant to which a wholly-owned subsidiary of Legacy TGC merged with and into Legacy Dawson, with Legacy Dawson continuing after the merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC (the "Merger"). As a result of the Merger, the former shareholders of Legacy Dawson received shares of Legacy TGC common stock representing approximately 66% of the outstanding common shares of the post-merger combined company, and Legacy TGC's shareholders retained approximately 34% of the outstanding common shares of the post-merger combined company. In connection with the Merger, Legacy Dawson changed its name to "Dawson Operating Company" and Legacy TGC changed its name to "Dawson Geophysical Company." The Merger will be accounted for as a reverse acquisition under which Legacy Dawson was considered the accounting acquirer of Legacy TGC.

The following unaudited pro forma condensed combined consolidated financial information "Pro Formas" is based on the historical consolidated financial information of Legacy Dawson and the historical consolidated financial information of Legacy TGC and has been prepared to reflect the Merger. The data in the unaudited pro forma condensed combined consolidated balance sheet as of December 31, 2014 gives effect to the Merger as if it had been completed on December 31, 2014. The data in the unaudited pro forma condensed combined consolidated statement of operations for the fiscal year ended September 30, 2014 combines Legacy Dawson's audited statement of operations for the fiscal year ended September 30, 2014 with Legacy TGC's historical consolidated statement of operations of Legacy TGC for the fourth quarter ended December 31, 2013 and the nine months ended September 30, 2014, and gives effect to the Merger as if it had been completed on October 1, 2013, which is the first day of Legacy Dawson's 2014 fiscal year. The data in the unaudited pro forma condensed combined statement of operations for the three months ended December 31, 2014 combines the historical statement of operations of Legacy Dawson for the three months ended December 31, 2014 with the historical consolidated statement of operations of Legacy TGC for the three months ended December 31, 2014, and gives effect to the Merger as if it had been completed on October 1, 2013, which is the first day of Legacy Dawson's 2014 fiscal year. Historical consolidated statement of operations of Legacy TGC for the three months ended December 31, 2014 was determined by deducting Legacy TGC historical consolidated statement of operations for year-to-date period ending September 30, 2014 from the historical consolidated statement of operations for the fiscal year ended December 31, 2014.

The Pro Formas have been prepared for illustrative purposes only and is not necessarily indicative of the financial position or results of operations of Dawson Geophysical had the Merger occurred on the dates indicated.

The historical financial information has been adjusted in the Pro Formas to give effect to pro forma events that are (1) directly attributable to the Merger, (2) factually supportable, and (3) with respect to the statement of income or the statement of operations, expected to have a continuing impact on the combined results of Legacy Dawson and Legacy TGC. All pro forma financial information uses Legacy Dawson's pre-Merger period-end dates and no adjustments were made to Legacy TGC's information for its different period-end dates or Legacy Dawson's change in fiscal year following the consummation of the Merger.

As discussed above, although Legacy TGC was the legal acquirer in the Merger and issued 14,194,810 shares of its common stock to effect the Merger with Legacy Dawson, the business combination will be accounted for as a reverse acquisition with Legacy Dawson considered the accounting acquirer. As a result, the fair value of Legacy TGC's common stock issued and outstanding as of February 11, 2015 has been allocated to the underlying tangible and intangible assets and liabilities of Legacy TGC based on their respective fair values. The Pro Formas were prepared in accordance with the regulations of the Securities and Exchange Commission.

The purchase price was determined based on the fair value of common shares of Legacy TGC on the date the Merger was consummated plus the fair value of other consideration transferred. The purchase price for these Pro Formas were based on 7,333,052 shares of Legacy TGC common stock outstanding after the 1-for-3 reverse stock split that was effected immediately prior to the consummation of the Merger and the closing price of the Legacy TGC common stock as of February 11, 2015 (the actual date of the closing of the Merger). At this time, Dawson Geophysical has not completed nor finalized detailed valuation analyses to determine the fair values of Legacy TGC's assets and liabilities, and accordingly, the Pro Formas include a preliminary allocation of the purchase price based on assumptions and estimates which, while considered reasonable under the circumstances, are subject to changes, and such changes may be material. Additionally, Dawson Geophysical has not yet completed or finalized the necessary analysis to identify all of the adjustments that may be required to conform Legacy TGC's accounting policies to Legacy Dawson's or to identify other items that could significantly impact the purchase price allocation or the assumptions and adjustments made in preparation of these Pro Formas. Upon completion of detailed valuation analyses, there may be additional increases or decreases to the recorded book values of Legacy TGC's assets and liabilities, including, but not limited to, property, plant and equipment and intangible assets that will give rise to future amounts of depreciation and amortization expenses or credits that are not reflected in the information contained in these Pro Formas. In addition, once the necessary procedures have been performed and the purchase price allocation has been completed, actual results may differ materially from the information presented in these Pro Formas.

Additionally, Dawson Geophysical expects to incur costs associated with integrating the operations of Legacy Dawson and Legacy TGC. The Pro Formas do not reflect the cost of any integration activities or benefits from the Merger that may be derived from any integration activities, both of which could have a material effect on the results of operations in periods following the completion of the Merger. In addition, the Pro Forma statement of operations do not include costs directly attributable to the transaction, employee retention costs or professional fees incurred by Legacy Dawson or Legacy TGC pursuant to provisions contained in the merger agreement, as those costs are not considered part of the purchase price.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

DECEMBER 31, 2014

	Historical			
	Legacy Dawson	Legacy TGC	Pro Forma Adjustments	Pro Forma Condensed Combined
ASSETS				
Current assets:				
Cash and cash equivalents	14,644,000	11,363,000	—	26,007,000
Short-term investments	28,750,000	—	—	28,750,000
Accounts receivable, net of allowance	37,133,000	19,571,000	2,327,000(a)	59,031,000
Cost and estimated earnings in excess of billings on uncompleted contracts	—	2,040,000	(2,040,000)(a)	—
Prepaid expenses and other assets	5,703,000	1,926,000	74,000(b)	7,703,000
Current deferred tax asset	2,818,000	—	—	2,818,000
Total current assets	89,048,000	34,900,000	361,000	124,309,000
Property, plant and equipment	339,245,000	199,239,000	(174,254,000)(d)	364,230,000
Less accumulated depreciation	(181,453,000)	(150,447,000)	150,447,000(d)	(181,453,000)
Net property, plant and equipment	157,792,000	48,792,000	(23,807,000)	182,777,000
Long-term deferred tax asset	—	1,154,000	(1,154,000)(f)	—
Goodwill	—	202,000	(202,000)(e)	—
Intangible	—	—	2,907,000(g)	2,907,000
Other assets	—	74,000	(74,000)(b)	—
Total assets	246,840,000	85,122,000	(21,969,000)	309,993,000
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	5,849,000	7,764,000	3,301,000(i)	16,914,000
Accrued liabilities:				
Payroll costs and other taxes	3,015,000	—	2,108,000(c)	5,123,000
Other	3,158,000	2,108,000	(2,108,000)(c)	3,158,000
Billings in excess of costs and estimated earnings on uncompleted contracts	—	4,451,000	(4,451,000)(a)	—
Deferred revenue	1,752,000	—	4,738,000(a)	6,490,000
Current maturities of notes payable and	6,018,000	8,095,000	—	14,113,000
Total current liabilities	19,792,000	22,418,000	3,588,000	45,798,000
Long-term liabilities:				
Notes payable and obligations under capital	4,209,000	5,642,000	—	9,851,000
Deferred tax liability	28,621,000	—	(8,398,000)(f)	20,223,000
Total long-term liabilities	32,830,000	5,642,000	(8,398,000)	30,074,000
Commitments and contingencies				
Stockholders equity:				
Preferred stock-par value	—	—	—	—
Common stock-par value	2,694,000	74,000	(2,552,000)(h)	216,000
Additional paid-in capital	96,532,000	32,499,000	13,183,000(h)	142,214,000
Retained earnings	95,336,000	32,229,000	(35,530,000)(h)(i)	92,035,000
Treasury stock	—	(1,251,000)	1,251,000(h)	—
Other comprehensive loss, net of tax	(344,000)	(6,489,000)	6,489,000(h)	(344,000)
Total stockholders equity	194,218,000	57,062,000	(17,159,000)	234,121,000
Total liabilities and stockholders equity	246,840,000	85,122,000	(21,969,000)	309,993,000

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Historical			
	Legacy Dawson	Legacy TGC	Pro Forma Adjustments	Pro Forma Condensed Combined
Operating revenues	$ 261,683,000	$ 111,861,000	$ —	$ 373,544,000
Operating costs:				
Operating expenses	223,336,000	94,305,000	425,000(j)	318,066,000
General and administrative	16,083,000	9,428,000	—	25,511,000
Depreciation	40,168,000	20,174,000	(11,586,000)(k)	48,756,000
Operating costs	279,587,000	123,907,000	(11,161,000)	392,333,000
(Loss) income from operations	(17,904,000)	(12,046,000)	11,161,000	(18,789,000)
Other income (expense):				
Interest income	73,000	—	—	73,000
Interest expense	(535,000)	(694,000)	—	(1,229,000)
Other income (expense)	466,000	—	—	466,000

	Legacy Dawson	Legacy TGC	Pro Forma Adjustments	Pro Forma Condensed Combined
(Loss) income before income tax	(17,900,000)	(12,740,000)	11,161,000	(19,479,000)
Income tax benefit (expense)	5,280,000	4,266,000	(4,313,000)(l)	5,233,000
Net loss	$ (12,620,000)	$ (8,474,000)	$ 6,848,000	$ (14,246,000)
Basic loss per common share	$ (1.59)	$ (0.39)		$ (0.66)
Diluted loss per common share	$ (1.59)	$ (0.39)		$ (0.66)
Weighted average equivalent common shares outstanding	7,959,452	21,956,804		21,587,556
Weighted average equivalent common shares outstanding - assuming dilution	7,959,452	21,956,804		21,587,556

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

	Historical			
	Legacy Dawson	**Legacy TGC**	**Pro Forma Adjustments**	**Pro Forma Condensed Combined**
Operating revenues	50,802,000	25,715,000	—	76,517,000
Operating costs:				
Operating expenses	42,957,000	24,941,000	107,000(j)	68,005,000
General and administrative	5,093,000	4,599,000	—	9,692,000
Depreciation	9,736,000	4,512,000	(2,365,000)(k)	11,883,000
Operating costs	57,786,000	34,052,000	(2,258,000)	89,580,000
(Loss) income from operations	(6,984,000)	(8,337,000)	2,258,000	(13,063,000)
Other income (expense):				
Interest income	20,000	—	—	20,000
Interest expense	(93,000)	(172,000)	—	(265,000)
Other income (expense)	154,000	—	—	154,000
(Loss) income before income tax	(6,903,000)	(8,509,000)	2,258,000	(13,154,000)
Income tax benefit (expense)	2,138,000	2,743,000	(914,000)(l)	3,967,000
Net (loss) income	(4,765,000)	(5,766,000)	1,344,000	(9,187,000)
Basic (loss) income per common share	$ (0.60)	$ (0.26)		$ (0.43)
Diluted (loss) income per common share	$ (0.60)	$ (0.26)		$ (0.43)
Weighted average equivalent common shares outstanding	7,965,757	22,122,421		21,587,556
Weighted average equivalent common shares outstanding - assuming dilution	7,965,757	22,122,421		21,587,556

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED

FINANCIAL INFORMATION

1. Basis of Presentation

The Merger will be accounted for under the acquisition method of accounting in accordance with Accounting Codification Standard (“ASC”) ASC 805, “Business Combinations.” Dawson Geophysical will account for the transaction by using Legacy Dawson’s historical information and accounting policies and adding the assets and liabilities of Legacy TGC as of the completion date of the Merger at their respective fair values. Pursuant to ASC 805, under the acquisition method, the total purchase price (consideration transferred) as described in Note 3, Estimated Consideration Transferred, was measured at the closing date of the Merger using the market price of Legacy TGC common stock at that time. The assets and liabilities of Legacy TGC have been measured based on various preliminary estimates using assumptions that Dawson Geophysical management believes are reasonable utilizing information currently available. Use of different estimates and judgments could yield materially different results.

The process for estimating the fair values of identifiable intangible assets and certain tangible assets requires the use of significant estimates and assumptions, including estimating future cash flows and developing appropriate discount rates. Dawson Geophysical continues to evaluate the available information, and the purchase price allocation is subject to finalization of Dawson Geophysical’s analysis of the fair value of the assets and liabilities of Legacy TGC as of the effective date of the Merger. Accordingly, the purchase price allocation in the Pro Formas is preliminary and will be adjusted upon completion of the final valuation. Such adjustments could be material.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed as reflected in the Pro Formas, Dawson Geophysical used the guidance in ASC 820, “Fair Value Measurement and Disclosure,” which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under

ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, Dawson Geophysical may be required to value assets of Legacy TGC at fair value measures that do not reflect Dawson Geophysical's intended use of those assets. Use of different estimates and judgments could yield different results.

Under ASC 805, acquisition-related transaction costs (e.g., investment banker, advisory, legal, valuation, and other professional fees) and certain acquisition restructuring and related charges are not included as a component of consideration transferred but are required to be expensed as incurred. The Pro Formas do not reflect the expected realization of synergies from this transaction. Although Dawson Geophysical management expects that cost savings will result from the Merger, there can be no assurance that these cost savings will be achieved. The Pro Formas also do not reflect estimated restructuring and integration charges associated with the expected cost savings. Such restructuring and integration charges will be expensed in the appropriate accounting periods following the completion of the Merger.

The unaudited pro forma condensed combined statement of operations for the fiscal year ended September 30, 2014 combines the historical statement of operations of Legacy Dawson for the fiscal year ended September 30, 2014 and the historical consolidated statement of operations of Legacy TGC for the fourth quarter ended December 31, 2013 and the nine months ended September 30, 2014, and gives effect to the Merger as if it had been completed on October 1, 2013, which is the first day of Legacy Dawson's 2014 fiscal year.

The unaudited pro forma condensed combined statement of income for the three months ended December 31, 2014 combines the historical statement of income of Legacy Dawson for the three months ended December 31, 2014 and the historical consolidated statement of operations of Legacy TGC for the three months ended December 31, 2014, and gives effect to the Merger as if it had been completed on October 1, 2013, which is the first day of Legacy Dawson's 2014 fiscal year. Historical consolidated statement of operations of Legacy TGC for the three months ended December 31, 2014 was determined by deducting Legacy TGC historical consolidated statement of operations for year-to-date period ending September 30, 2014 from the historical consolidated statement of operations for the fiscal year ended December 31, 2014.

2. Accounting Policies

Dawson Geophysical has commenced, but has not yet completed, a detailed review of Legacy TGC's accounting policies. As a result of that review, Dawson Geophysical may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the consolidated financial statements of the combined company.

3. Estimated Consideration Transferred

The following sets forth the estimated fair value of the consideration that was transferred to effect the Merger:

		Estimated Fair Value
Number of shares to be issued to Legacy TGC stockholders after the reverse stock split prior to consummation of the Merger		7,332,052
Multiplied by Legacy TGC's reverse split stock price of $5.85 as of 2/11/2015		42,894,000
Fair value of vested stock options and vested restricted stock and restricted stock units (a)		310,000
Estimated consideration transferred (b)	$	43,204,000

(a) Represents the fair value of Legacy TGC's stock options, restricted stock and restricted stock units for pre-Merger services. ASC 805 requires that the fair value of awards assumed attributable to pre-Merger service be included in the consideration transferred. The fair value of Legacy TGC's stock options and other awards was estimated as of February 11, 2015 to be $310,000 using the Black-Scholes valuation model.

(b) The fair value of the consideration transferred in the Merger reflected in the Pro Formas is preliminary and does not purport to represent the final valuation of the actual consideration transferred in the Merger.

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4. Estimate of the Assets Acquired and Liabilities Assumed

The following is a preliminary allocation of the purchase consideration to the assets acquired and the liabilities assumed by Legacy Dawson in the Merger:

Book value of net asset acquired at December 31, 2014	$	57,062,000
Less: TGC's historical goodwill		(202,000)
Adjusted book value of net assets acquired	$	56,860,000
Adjustments to:		
Property, plant and equipment	$	(23,807,000)
Intangible assets		2,907,000
Deferred taxes		7,244,000
Total adjustments		(13,656,000)
Estimated consideration transferred	$	43,204,000

The following is a discussion of the adjustments made to Legacy TGC's assets and liabilities in connection with the preparation of the Pro Formas.

Property, plant and equipment: Fixed assets are required to be measured at fair value as of the effective time of the Merger, unless those assets are classified as held-for-sale on such date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. Dawson Geophysical does not have sufficient information at this time as to the specific types, nature, age, condition or location of these assets, nor does it know the appropriate valuation premise, as the valuation premise requires a certain level of knowledge about the assets being evaluated as well as a profile of the associated market participants. All of these elements can cause a difference between fair value and net book value.

As a result of the consideration transferred being less than the book value of net asset acquired at December 31, 2014, Dawson Geophysical is required to analyze the purchase price allocation and the potential reasonableness of reflecting a bargain purchase. Upon completing this analysis, Dawson Geophysical determined that the Merger is not an acquisition of a distressed business or a bargain purchase and accordingly reflected a substantial reduction in the property, plant and equipment to its fair value which is reflected by the value of the consideration transferred. Furthermore, in allocating the remainder of the purchase price to the indicated fair value of the property, plant and equipment, there is not any excess purchase price to be allocated to goodwill.

Intangible assets: Intangible assets that are identifiable are required to be measured at fair value as of the effective time of the Merger, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of the Pro Formas, it is assumed that all assets will be used in a manner that represents the highest and best use of those assets, but it is not assumed that any market participant synergies will be achieved. The consideration of synergies has been excluded because they are not considered to be factually supportable, which is a required condition for these pro forma adjustments.

The fair value of intangible assets is determined primarily using the "income approach," which requires an estimate or forecast of all the expected future cash flows either through the use of the relief-from-royalty method or the multi-period excess earnings method. At this time, Dawson Geophysical does not have sufficient information as to the amount, timing and likelihood of cash flows for the purposes of valuing the intangible assets. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, cost of sales, sales and marketing expenses, and working capital/contributory asset charges); the discount rate selected to measure the risks inherent in the future cash flows; and the assessment of the asset's life cycle and the competitive trends impacting the asset, as well as other factors.

For purposes of the Pro Formas, Dawson Geophysical used public information on other comparable acquisition transactions to estimate the fair value of the intangible assets. The intangible assets consist of a customer relationship intangible of $1,560,000 that is expected to be amortized over an 6-year life, a trademark of $922,000 that is assumed to have an indefinite life and thus no amortization impact, and backlog of $425,000 that is expected to be expensed over a one year period. The annual impact of the incremental amortization expense is estimated to be $260,000 per year following the Merger.

These preliminary estimates of fair value and estimated useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying Pro Formas. Additional insight may be gained that could impact: (i) the estimated total value assigned to intangible assets, (ii) the estimated allocation of value between definite-lived and indefinite-lived intangible assets and/or (iii) the estimated weighted-average useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to Dawson Geophysical only upon access to additional information and/or by changes in such factors. A 20% change in the valuation of definite-lived intangible assets would cause a corresponding approximate $52,000 increase or decrease in amortization during the first year following the Merger.

Deferred income tax liability: Adjustments have been made as of the effective time of the Merger for deferred taxes as part of the accounting for the acquisition. The $7,244,000 deferred tax decrease reflects the estimated deferred tax liability impact of the Merger on the balance sheet, primarily related to estimated fair value adjustments for acquired tangible and intangible assets. For purposes of the Pro Formas, deferred taxes are provided at the Legacy TGC deferred tax rate of 34.66%, which includes the U.S. federal statutory income tax rate plus the estimated state rate at which the deferred tax items will turn in future periods. This rate does not reflect Legacy Dawson's effective tax rate, which includes other tax items, such as state taxes, as well as other tax charges or benefits and does not take into account any historical or possible future tax events that may impact the combined company. The effective tax rate of the combined company could be significantly different depending on post-acquisition activities. See Note 6, Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet, Item (f).

5. Reclassifications

Certain reclassifications have been made to Legacy TGC's historical statements of income to conform to Legacy Dawson's presentation as follows:

Item (a): The adjustments reflect a reclassification of Legacy TGC's cost and estimated earnings in excess of billings on uncompleted contracts and Legacy TGC's billings in excess of costs and estimated earnings on uncompleted contracts to conform to the combined entity's presentation of accounts receivable, net of allowance and deferred revenue.

Item (b): The adjustment to prepaid and other assets reflects the reclassification of Legacy TGC's prepaid deposits of $74,000 from other assets to conform to the combined entity's presentation.

Item (c): The adjustment to accrued liabilities: payroll costs and other taxes of $2,108,000 reflects the reclassification out of Legacy TGC's accrued liabilities, which includes federal and state income taxes payable, to conform to the combined entity's presentation.

6. Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

Item (d): Reflects an estimated fair value adjustment of $24,985,000 to property, plant and equipment. The estimate of fair value is preliminary and subject to change and could vary materially from the actual adjustment.

Item (e): This adjustment removes Legacy TGC's historical goodwill that no longer remains following the Merger.

Item (f): Reflects the estimated deferred tax impact of $7,244,000 to long-term deferred tax liabilities. These adjustments reflect the estimated deferred tax impact of the acquisition on the balance sheet, primarily related to the estimated fair value adjustments for acquired intangible assets and fair value of property, plant and equipment. For purposes of the Pro Formas, deferred taxes are provided at the Legacy TGC deferred tax rate of 34.66%, which includes the U.S. federal statutory income tax rate plus the estimated state tax rate at which the deferred tax items will turn in future periods. This rate does not reflect Legacy Dawson's effective tax rate, which includes other tax items, such as non-deductible items, as well as other tax charges or benefits, and does not take into account any historical or possible future tax events that may impact the combined company. As additional information becomes available, it is likely the applicable income tax rate will change.

Item (g): Reflects an estimated fair value adjustment of $2,907,000 to intangibles for customer relationships, trademarks and backlog based on preliminary due diligence and valuation methods. The estimate of fair value is preliminary and subject to change and could vary materially from the actual adjustment. For purposes of the Pro Formas, it is assumed that all assets will be used in the operations of the combined business and that all assets will be used in a manner that represents the highest and best use of those assets.

Item (h): The adjustment to Legacy Dawson's common stock reflects the elimination of Legacy TGC's historical common stock, additional paid in capital, retained earnings and treasury stock and other comprehensive income, net of tax. An aggregate of (x) 7,333,052 shares of Legacy TGC common stock were issued to Legacy TGC's stockholders pursuant to the 1-for-3 reverse stock split effected immediately prior to the consummation of the Merger and (y) 14,194,810 shares of Legacy TGC common stock were issued to Legacy Dawson's stockholders pursuant to the Merger. Based on the foregoing, the consideration for the acquisition has been valued at $43,204,000, which is the value of the 7,333,052 shares of the Legacy TGC stock upon consummation of the Merger and the fair value of vested stock awards.

Item (i): Reflects the estimated transaction costs of $3,301,000 to accounts payable based on preliminary information, which is subject to change and could vary materially from the actual adjustment. This adjustment reflects the transaction costs to be incurred by the combined entities upon the closing of the transaction.

7. Adjustments to Unaudited Pro Forma Condensed Combined Statements of Income

Item (j): Reflects an expense related to the amortization of backlog.

Item (k): The reduction in the pro forma depreciation expense is as a result of varying depreciation trends between Legacy TGC's historical and expected trend and the expected and assumed trend of the acquired tangible assets. The majority of the acquired tangible assets are assumed to begin depreciating at October 1, 2013 and have a 3-year life.

Item (l): To record the income tax effects of the purchase accounting adjustments. Dawson Geophysical has assumed a 38.64% tax rate when estimating the tax impacts of the pro forma adjustments, which represents the Federal statutory income tax rate in effect in the United States plus estimated state taxes during the periods presented in the Pro Formas. Although not reflected in the Pro Formas, the effective tax rate of the combined company could be significantly different depending on post-acquisition activities, including the geographical mix of taxable income affecting state taxes, among other factors. As additional information becomes available, it is likely the applicable income tax rate will change.

8. Pro Forma Earnings Per Share

The pro forma basic and diluted earnings per share are based on the 21,527,862 shares of Legacy TGC common stock outstanding following the consummation of the Merger and are assumed to have been issued as of October 1, 2013 and outstanding for the entire period and also includes certain stock awards that vested upon the consummation of the Merger totaling 239,404 shares. There are no diluted shares for the fiscal year ended September 30, 2014 or three months ended December 31, 2014 as a result of the loss for each period.

Exhibit 99.4

BUSINESS AND PROPERTIES OF
DAWSON GEOPHYSICAL COMPANY

General

Dawson Geophysical Company (the “Company”) is a leading provider of North America onshore seismic data acquisition services with operations throughout the continental United States and Canada. We acquire and process 2-D, 3-D and multi-component seismic data for our clients, ranging from major oil and gas companies to independent oil and gas operators as well as providers of multi-client data libraries. Our principal business office is located at 508 West Wall, Suite 800, Midland, Texas 79701 (Telephone: 432-684-3000), and our internet address is www.dawson3d.com. We make available free of charge on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K as soon as reasonably practicable after filing or furnishing such information with the Securities and Exchange Commission.

On February 11, 2015, the Company, which was formerly known as TGC Industries, Inc. (“Legacy TGC”), consummated a strategic business combination with Dawson Operating Company, which was formerly known as Dawson Geophysical Company (“Legacy Dawson”), pursuant to which a wholly-owned subsidiary of Legacy TGC merged with and into Legacy Dawson, with Legacy Dawson continuing after the merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC (the “Merger”). In connection with the Merger, Legacy Dawson changed its name to “Dawson Operating Company” and Legacy TGC changed its name to “Dawson Geophysical Company.” In connection with the strategic business combination, we have incurred $3.3 million in costs related to the transaction during the three months ended March 31, 2015. Except as otherwise specifically noted herein, references herein to the “Company,” “we,” “us” or “our” refer to post-combination Dawson Geophysical Company and its consolidated subsidiaries, including Legacy Dawson.

As of March 31, 2015, we operated thirteen seismic crews, consisting of twelve crews in the United States and one crew in Canada, and one seismic data processing center. During the quarter ended March 31, 2015, we operated a maximum of fourteen crews in the United States and four in Canada on a consolidated basis following the closing of the Merger. We are currently operating ten crews in the United States and zero in Canada as the Canadian winter operating season comes to end. We anticipate operating between eight and ten crews in the United States with limited activity in Canada into the third fiscal quarter of 2015 ending September 30, 2015. Demand for our services are likely to be at reduced from 2014 levels in North America in response to the reduced expenditures by our clients related to the recent drop in crude oil prices. Crew utilization in the March 2015 quarter and through April 2015 was negatively impacted by project delays on behalf of our clients along with severe weather issues in many areas of operation. Our seismic crews supply seismic data primarily to companies engaged in the exploration and development of oil and natural gas on land and in land-to-water transition areas. Seismic acquisition services of our wholly-owned subsidiary, Eagle Canada, Inc. (“Eagle Canada”), are also used by the potash mining industry in Canada, and Eagle Canada has particular expertise through its heliportable capabilities. Our clients rely on seismic data to identify areas where subsurface conditions are favorable for the accumulation of existing hydrocarbons, to optimize the development and production of hydrocarbon reservoirs, to better delineate existing oil and natural gas fields, and to augment reservoir management techniques.

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

In recent years, we have begun providing surface-recorded microseismic services utilizing equipment we currently own. Microseismic monitoring is used by clients who use hydraulic fracturing to extract hydrocarbon deposits to monitor their hydraulic fracturing operations. In the twelve months ended March 31, 2015, we performed approximately five microseismic projects.

We market and supplement our services in the continental United States from our headquarters in Midland, Texas and from additional offices in three other cities in Texas (Denison, Houston and Plano) as well as three additional states, including Oklahoma (Oklahoma City), Colorado (Denver) and Pennsylvania (Pittsburgh). In addition, we market and supplement our services in Canada from our facilities in Calgary, Alberta.

The Industry

Technological advances in seismic equipment and computing allow the seismic industry to acquire and process, on a cost-effective basis, immense volumes of seismic data which produce precise images of the earth’s subsurface. The latest accepted method of seismic data acquisition, processing, and the subsequent interpretation of the processed data is the 3-D seismic method. Geophysicists use computer workstations to interpret 3-D data volumes, identify subsurface anomalies, and generate a geologic model of subsurface features. In contrast with the 3-D method, the 2-D method involves the collection of seismic data in a linear fashion, thus generating a single plane of subsurface seismic data.

3-D seismic data are used in the exploration and development of new reserves and enable oil and natural gas companies to better delineate existing fields and to augment their reservoir management techniques. Benefits of incorporating high resolution 3-D seismic surveys into exploration and development programs include reducing drilling risk, decreasing oil and natural gas finding costs, and increasing the efficiencies of reservoir location, delineation, and management. In order to meet the requirements necessary to fully realize the benefits of 3-D seismic data, there is an increasing demand for improved data quality with greater subsurface resolution.

Currently, the seismic data acquisition industry is made up of a number of companies divided into two groups. The first group is made up of three publicly-traded companies with long operating histories that field numerous crews and work in a number of different regions and terrain. This group includes us, SAExploration Holdings, Inc., or SAE, and CGG (which recently sold its North American onshore seismic contract acquisition business to Geokinetics, Inc., or Geokinetics). The second group is made up of Geokinetics, Global Geophysical Services, Inc., or Global Geophysical, Tesla Exploration, Ltd., or Tesla, Breckenridge Geophysical Inc., or Breckenridge, Paragon Geophysical Services, Inc., or Paragon, LoneStar Geophysical Surveys, or LoneStar, and smaller companies which generally run one or two seismic crews and often specialize in specific regions or types of operations.

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

Equipment and Crews

In recent years, we have experienced continued increases in recording channel capacity on a per crew or project basis. This increase in channel count demand is driven by client needs and is necessary in order to produce higher resolution images, increase crew efficiencies and undertake larger scale projects. Due to the increase in demand for higher channel counts, we have continued our investments in additional channels. In response to project-based channel requirements, we routinely deploy a variable number of channels on a variable number of crews in an effort to maximize asset utilization and meet client needs. While the number of recording systems we own may exceed the number utilized in the field at any given time, we maintain the excess equipment to provide additional operational flexibility and to allow us to quickly deploy additional recording channels and energy source units as needed to respond to client demand and desire for improved data quality with greater subsurface images. We believe we will realize the benefit of increased channel counts and flexibility of deployment through increased crew efficiencies, higher revenues and margins.

In addition, since 2011, we have purchased or leased a significant number of cable-less recording channels. We have utilized this equipment as primarily stand-alone recording systems but on occasion in conjunction with our cable-based systems. As a result of the introduction of cable-less recording systems, we have realized increased crew efficiencies and increased revenue on projects using this equipment. We believe we will experience continued demand for cable-less recording systems in the future. As we have replaced cable-based recording equipment with cable-less equipment on certain crews, the cable-based recording equipment continues to be deployed on existing crews.

As of March 31, 2015, we owned equipment for 32 land-based seismic data acquisition crews, 221 vibrator energy source units, approximately 323,000 recording channels and 32 central recording systems. Of the 32 recording systems we owned at March 31, 2015, 12 were Geospace Technologies GSR cable-less recording systems, 18 were ARAM ARIES cable-based recording systems, 1 was a Wireless Seismic RT System 2 system, and 1 was a cable-less INOVA Hawk system. Each crew consists of approximately 40 to 100 technicians with associated vehicles, geophones, a seismic recording system, energy sources, cables, and a variety of other equipment. Each ARAM crew has one central recording vehicle which captures seismic data. The GSR, GSX and INOVA Hawk crews utilize a recorder to manage the data acquisition while the individual system captures and holds the data until they are placed in the Data Transfer Module. The data is then transferred to a CD-ROM or data tape which is delivered to a data processing center selected by the client.

Equipment Acquisition and Capital Expenditures

We monitor and evaluate advances in geophysical technology and commit capital funds to purchase the equipment we deem most effective to maintain our competitive position cost-effectively. Purchasing and updating seismic equipment and technology involves a commitment to capital spending. We also tie our capital expenditures closely to demand for our services. As a result of the continuing softening in demand for seismic services beginning in early 2013, the Company has adopted a maintenance capital expenditures program and has generally curtailed large equipment purchases..

Clients

Our clients are major and independent oil and natural gas exploration and development companies. The services we provide to our clients vary according to the size and needs of each client. Our services are marketed by supervisory and executive personnel

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who contact clients to determine their needs and respond to client inquiries regarding the availability of crews. Contacts are based principally upon professional relationships developed over a number of years.

During the twelve months ended December 31, 2014, our largest client accounted for approximately 11% of revenues, on a pro forma basis giving effect to the Merger. In order to avoid potential conflicts of interest with our clients, we do not participate in oil and natural gas ventures. The results of a seismic survey conducted for a client belong to that client. All of our clients' information is maintained in strictest confidence.

Domestic and Foreign Operations

We derive our revenue from domestic and foreign sources. Total revenues for the twelve months ended December 31, 2014 on a pro forma basis giving effect to the Merger were approximately $363,152,000, of which $309,122,000 were earned in the United States and $54,030,000 were earned in Canada. Total revenues for the twelve months ended December 31, 2013 on a pro forma basis giving effect to the Merger were approximately $431,386,000, of which $379,920,000 were earned in the United States and $51,466,000 were earned in Canada. Total revenues for the twelve months ended December 31, 2012 on a pro forma basis giving effect to the Merger were approximately $499,838,000, of which $428,377,000 were earned in the United States and $71,461,000 were earned in Canada.

Long-lived assets as of December 31, 2014 on a pro forma basis giving effect to the Merger were approximately $206,583,000, with $175,920,000 located in the United States and $30,663,000 located in Canada. Long-lived assets as of December 31, 2013 on a pro forma basis giving effect to the Merger were approximately $250,409,000, with $206,456,000 located in the United States and $43,953,000 located in Canada. Long-lived assets as of December 31, 2012 on a pro forma basis giving effect to the Merger were approximately $280,730,000, with $223,734,000 located in the United States and $56,996,000 located in Canada.

Contracts

Our contracts are obtained either through competitive bidding or as a result of client negotiations. Our services are conducted under general service agreements for seismic data acquisition services which define certain obligations for us and for our clients. A supplemental agreement setting forth the terms of a specific project, which may be canceled by either party on short notice, is entered into for every project. We currently operate under supplemental agreements that are either "turnkey" agreements providing for a fixed fee to be paid to us for each unit of data acquired or "term" agreements providing for a fixed hourly, daily, or monthly fee during the term of the project or projects.

Currently, as in recent years, most of our projects are operated under turnkey agreements. Turnkey agreements generally provide us more profit potential, but involve more risks because of the potential of crew downtime or operational delays. We attempt to negotiate on a project-by-project basis some level of weather downtime protection within the turnkey agreements. Under the term agreements, we forego an increase profit potential in exchange for a more consistent revenue stream with improved protection from crew downtime or operational delays.

Competition

The acquisition of seismic data for the oil and natural gas industry is a highly competitive business. Contracts for such services generally are awarded on the basis of price quotations, crew experience, and the availability of crews to perform in a timely manner, although factors other than price, such as crew safety, performance history, and technological and operational expertise, are often determinative. Our competition includes publicly traded competitors, such as CGG (which recently sold its North American onshore seismic contract acquisition business to Geokinetics) and SAE. Our other major competitors include Geokinetics, Global Geophysical, Tesla, Breckenridge, Paragon and LoneStar. In addition to these previously named companies, we also compete for projects from time to time with smaller seismic companies which operate in local markets with only one or two crews. Further, the barriers to entry in the seismic industry are not prohibitive, and it would not be difficult for seismic companies outside of the United States to enter the United States market and compete with us.

Employees

As of March 31, 2015, we employed over 1,400 full-time employees, of which approximately 150 consisted of management, sales, and administrative personnel with the remainder being crew and crew support personnel. Our employees are not represented by a labor union. We believe we have good relations with our employees.

Properties

Our headquarters are located in a 34,570 square foot leased property in Midland, Texas. The monthly rent is currently $40,332. We have two other properties in Midland, including a 61,402 square foot property that we own and use as a field office, equipment and fabrication facility and maintenance and repair shop as well as a 915-square foot office facility that we lease for monthly rent of $1,373 and use as a sales office.

We also have additional offices in three other cities in Texas: Denison, Houston and Plano. Our Denison warehouse facility consists of one 5,000-square foot building, three 10,000-square foot adjacent buildings, and an outdoor storage area of approximately 60,500 square feet. The monthly rent is currently $14,438. Our Houston sales office is in a 10,041-square foot facility. The monthly rent is currently $20,688. Our corporate office in Plano, Texas consists of 10,137 square feet of office space. The monthly rent is currently $15,628.

We also lease a 3,443-square foot facility in Denver, Colorado, as a sales office, and the current monthly rent is $5,738. We lease a 1,094-square foot facility in Oklahoma City, Oklahoma, as a sales office, and the current monthly rent is $1,550. We lease a 2,507-square foot facility in Pittsburgh, Pennsylvania, as a sales office, and the current monthly rent is $4,805.

We lease 3,030 square feet of office space located in Calgary, Alberta. The monthly rent is currently $11,147. In addition, Eagle Canada leases a 7,423-square foot facility, also located in Calgary, Alberta, that is used as a shop and warehouse. The monthly rent is currently $8,681. We also lease a storage and parking area near the Eagle Canada shop and warehouse. The monthly rent is currently $4,386. The Company is not responsible for insuring these facilities. The conditions of these facilities are good, and we believe that these properties are suitable and adequate for our foreseeable needs.

We are in the process of consolidating a number of our sales offices.

RISK FACTORS RELATED TO DAWSON GEOPHYSICAL COMPANY

The following risk factors relate to the combined business of Dawson Geophysical Company (the "Company"), which was formerly known as TGC Industries, Inc. ("Legacy TGC"), following its strategic business combination with Dawson Operating Company, which was formerly known as Dawson Geophysical Company ("Legacy Dawson"), pursuant to which a wholly-owned subsidiary of Legacy TGC merged with and into Legacy Dawson, with Legacy Dawson continuing after the merger as the surviving entity and a wholly-owned subsidiary of Legacy TGC (the "Merger"). These risk factors could affect our actual results and should be considered carefully when evaluating us. Although the risks described below are the risks that we believe are material, they are not the only risks relating to our business, our industry and our common stock. Additional risks and uncertainties, including those that are not yet identified or that we currently believe are immaterial, may also adversely affect our business, financial condition or results of operations. If any of the events described below occur, our business, financial condition or results of operations could be materially adversely affected. Unless the context indicates otherwise, references in this discussion to "we," "us," "our" or the "Company" refer to the combined Company and its subsidiaries, including Legacy Dawson, following the Merger.

These risk factors should be read in conjunction with the other detailed information concerning us set forth in our accompanying financial statements and notes set forth in Exhibits 99.1, 99.2 and 99.3.

This report contains forward-looking statements that are based on information currently available to management as well as management's assumptions and beliefs. All statements, other than statements of historical fact, included herein constitute forward-looking statements, including but not limited to statements identified by the words "forecast," "may," "believe," "will," "should," "plan," "predict," "anticipate," "intend," "estimate" and "expect" and similar expressions. Such statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions; however, such statements are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those in the forward-looking statements. We disclaim any intention or obligation to update or review any forward-looking statements or information, whether as a result of new information, future events or otherwise.

Company Risks

We may fail to realize the anticipated benefits of the Merger, which could adversely affect the value of our common stock.

The success of the Merger will depend, in part, on our ability to manage effectively the businesses of Legacy TGC and Legacy Dawson and realize the anticipated benefits from the combination of Legacy TGC and Legacy Dawson. We believe that these anticipated benefits, which include the expansion of Legacy TGC's geographic diversity, an increase in seismic crew utilization rates due to an expanded order book and the ability to enhance efficiencies because of logistical improvements and expanded support services capabilities, are achievable. However, it is possible that we will not be able to achieve these benefits fully, or at all, or will not be able to achieve them within the anticipated timeframe. Prior to the completion of the Merger, Legacy TGC and Legacy Dawson operated independently, and there can be no assurance that their businesses can be integrated successfully. If our expectations as to the benefits of the Merger turn out to be incorrect, or we are not able to successfully integrate the businesses of Legacy TGC and Legacy Dawson for any other reason, our financial and operating results and the value of our common stock may be adversely affected.

While certain key employees of Legacy TGC and Legacy Dawson have entered into employment agreements with us that became effective at the effective time of the Merger, it is possible that the integration process could result in the loss of other key Legacy TGC or Legacy Dawson employees, as well as disrupt our ongoing business or cause inconsistencies in our standards, controls, procedures and policies. Specific issues that must be addressed in order to realize the anticipated benefits of the Merger include, among other things:

- integrating Legacy TGC's and Legacy Dawson's strategies, cultures and operations;
- retaining existing Legacy TGC and Legacy Dawson clients and suppliers;
- adopting best practices across the combined entity and harmonizing our operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;
- integrating Legacy TGC's and Legacy Dawson's corporate, administrative and information technology infrastructure; and
- managing any tax costs or inefficiencies associated with integration.

In addition, at times, the attention of certain members of our management and the resources of our company may be focused on business aspects related to the Merger and the integration of the businesses of Legacy TGC and Legacy Dawson and may be diverted from day-to-day business operations.

We may incur losses.

We incurred net losses of $24,016,000 for the twelve months ended December 31, 2014, on a pro forma basis giving effect to the Merger. On a standalone basis, Legacy TGC reported net loss of approximately $9,528,000 for the year ended December 31, 2014, compared to a net loss of approximately $6,316,000 for the year ended December 31, 2013, and net income of approximately $15,672,000 for the year ended December 31, 2012. Additionally, Legacy Dawson reported a net loss of approximately $12,620,000 for its fiscal year ended September 30, 2014, compared to a net income of approximately $10,480,000 and $11,113,000 for its fiscal years ended September 30, 2013 and 2012, respectively. Legacy TGC also reported net income for 2011, net loss for 2010 and net income for 2009 and 2008, and Legacy Dawson reported net loss for its fiscal years 2011 and 2010 and net income for its fiscal years 2009 and 2008.

Our ability to be profitable in the future will depend on many factors beyond our control, but primarily on the level of demand for land-based seismic data acquisition services by oil and natural gas exploration and development companies. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

Our revenues and operating results can be expected to fluctuate from period to period.

Our revenues, operating results, and profitability may fluctuate from period to period. These fluctuations are attributable to the level of new business in a particular period, the timing of the initiation, progress or cancellation of significant projects, higher revenues and expenses on our dynamite contracts, and costs we incur to train new crews we may add in the future to meet increased client demand. Fluctuations in our operating results may also be affected by other factors that are outside of our control such as permit delays, weather delays and crew productivity. Oil and natural gas prices have continued to be volatile, and have resulted in significant demand fluctuations for our services. There can be no assurance of future oil and gas price levels or stability. Our operations in Canada are also seasonal as a result of the thawing season and we have historically experienced limited Canadian activity for the second and third calendar quarters of each year. The demand for our services will be adversely affected by a significant reduction in oil and natural gas prices and by climate change legislation or material changes to U.S. energy policy. Because our business has high fixed costs, the negative effect of one or more of these factors could trigger wide variations in our operating revenues, EBITDA margin, and profitability from quarter-to-quarter, which these factors render quarter-to-quarter comparisons unreliable as an indicator of performance. Due to the factors discussed above, you should not expect sequential growth in our quarterly revenues and profitability.

We face intense competition in our business that could result in downward pricing pressure and the loss of market share.

The seismic data acquisition services industry is a highly competitive business in the continental U.S. and Canada. Our competitors include companies with financial resources that are significantly greater than our own as well as companies of comparable and smaller size. Additionally, the seismic data acquisition business is extremely price competitive and has a history of periods in which seismic contractors bid jobs below cost and therefore adversely affect industry pricing. Many contracts are awarded on a bid basis, which may further increase competition based primarily on price. Further, the barriers to entry in the seismic industry are not prohibitive, and it would not be difficult for seismic companies outside of the U.S. to enter the U.S. market and compete with us.

Our clients could delay, reduce or cancel their service contracts with us on short notice, which may lead to lower than expected demand and revenues.

Our order book reflects client commitments at levels we believe are sufficient to maintain operations on our existing crews for the indicated periods. However, our clients can delay, reduce or cancel their service contracts with us on short notice. In addition, the timing of the origination and completion of projects and when projects are awarded and contracted for is also uncertain. As a result, our order book as of any particular date may not be indicative of actual demand and revenues for any succeeding fiscal period.

Our profitability is determined, in part, by the utilization level and productivity of our crews and is affected by numerous external factors that are beyond our control.

Our revenue is determined, in part, by the contract price we receive for our services, the level of utilization of our data acquisition crews and the productivity of these crews. Crew utilization and productivity is partly a function of external factors, such as client cancellation or delay of projects, or operating delays from inclement weather, obtaining land access rights and other factors,

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over which we have no control. If our crews encounter operational difficulties or delays on any data acquisition survey, our results of operations may vary, and in some cases, may be adversely affected.

In recent years, most of our projects have been performed on a turnkey basis for which we were paid a fixed price for a defined scope of work or unit of data acquired. The revenue, cost and gross profit realized under our turnkey contracts can vary from our estimates because of changes in job conditions, variations in labor and equipment productivity or because of the performance of our subcontractors. Turnkey contracts may also cause us to bear substantially all of the risks of business interruption caused by external factors over which we may have no control, such as weather, obtaining land access rights, crew downtime or operational delays. These variations, delays and risks inherent in turnkey contracts may result in reducing our profitability.

We are subject to Canadian foreign currency exchange rate risk.

We conduct business in Canada which subjects us to foreign currency exchange rate risk. Currently, we do not hold or issue foreign currency forward contracts, option contracts or other derivative financial instruments to mitigate the currency exchange rate risk. Our results of operations and our cash flows could be impacted by changes in foreign currency exchange rates.

Capital requirements for our operations are large. If we are unable to finance these requirements, we may not be able to maintain our competitive advantage.

Seismic data acquisition and data processing technologies historically have progressed steadily, and we expect this trend to continue. In order to remain competitive, we must continue to invest additional capital to maintain, upgrade and expand our seismic data acquisition capabilities. Our working capital requirements remain high, primarily due to the expansion of our infrastructure in response to client demand for cable-less recording systems and more recording channels, which has increased as the industry strives for improved data quality with greater subsurface resolution images. Our sources of working capital are limited. We have historically funded our working capital requirements with cash generated from operations, cash reserves and borrowings from commercial banks. Recently, we have funded some of our capital expenditures through equipment term loans and capital leases. In the past, we have also funded our capital expenditures and other financing needs through public equity offerings. If we were to expand our operations at a rate exceeding operating cash flow, if current demand or pricing of geophysical services were to decrease substantially or if technical advances or competitive pressures required us to acquire new equipment faster than our cash flow could sustain, additional financing could be required. If we were not able to obtain such financing or renew our existing revolving line of credit when needed, our failure could have a negative impact on our ability to pursue expansion and maintain our competitive advantage.

Technological change in our business creates risks of technological obsolescence and requirements for future capital expenditures. If we are unable to keep up with these technological advances, we may not be able to compete effectively.

Seismic data acquisition technologies historically have steadily improved and progressed, and we expect this progression to continue. We are in a capital intensive industry, and in order to remain competitive, we must continue to invest additional capital to maintain, upgrade and expand our seismic data acquisition capabilities. However, we may have limitations on our ability to obtain the financing necessary to enable us to purchase state-of-the-art equipment, and certain of our competitors may be able to purchase newer equipment when we may not be able to do so, thus affecting our ability to compete.

We rely on a limited number of key suppliers for specific seismic services and equipment.

We depend on a limited number of third parties to supply us with specific seismic services and equipment. From time to time, increased demand for seismic data acquisition services has decreased the available supply of new seismic equipment, resulting in extended delivery dates on orders of new equipment. Any delay in obtaining equipment could delay our deployment of additional crews and restrict the productivity of existing crews, adversely affecting our business and results of operation. In addition, any adverse change in the terms of our suppliers' arrangements could affect our results of operations.

Some of our suppliers may also be our competitors. If competitive pressures were to become such that our suppliers would no longer sell to us, we would not be able to easily replace the technology with equipment that communicates effectively with our existing technology, thereby impairing our ability to conduct our business.

Inclement weather may adversely affect our ability to complete projects and could therefore adversely affect our results of operations.

Our seismic data acquisition operations could be adversely affected by inclement weather conditions. Delays associated with weather conditions could adversely affect our results of operations. For example, weather delays could affect our operations on a particular project or an entire region and could lengthen the time to complete data acquisition projects. In addition, even if we

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negotiate weather protection provisions in our contracts, we may not be fully compensated by our clients for the delay caused by the inclement weather.

We are dependent on our management team and key employees, and our inability to retain our current team or attract new employees could harm our business.

Our continued success depends upon attracting and retaining highly skilled professionals and other technical personnel. A number of our employees are highly skilled scientists and highly trained technicians. The loss, whether by death, departure or illness, of our senior executives or other key employees or our failure to continue to attract and retain skilled and technically knowledgeable personnel could adversely affect our ability to compete in the seismic services industry. We may experience significant competition for such personnel, particularly during periods of increased demand for seismic services. A limited number of our employees are under employment contracts, and we have no key man insurance.

A limited number of clients operating in a single industry account for a significant portion of our revenues, and the loss of one of these clients could adversely affect our results of operations.

We derive a significant amount of our revenues from a relatively small number of oil and gas exploration and development companies. During the twelve months ended December 31, 2014, our largest client accounted for approximately 11% of our revenues on a pro forma basis giving effect to the Merger. If this client, or any of our other significant clients, were to terminate their contracts or fail to contract for our services in the future because they are acquired, alter their exploration or development strategy, experience financial difficulties or for any other reason, our results of operations could be adversely affected.

We extend credit to our clients without requiring collateral, and a default by a client could have a material adverse effect on our operating revenues.

We perform ongoing credit evaluations of our clients' financial conditions and, generally, require no collateral from our clients. It is possible that one or more of our clients will become financially distressed, which could cause them to default on their obligations to us and could reduce the client's future need for seismic services provided by us. Our concentration of clients may also increase our overall exposure to these credit risks. A default in payment from one of our large clients could have a material adverse effect on our operating revenues for the period involved.

We have a significant amount of indebtedness, and certain of our core assets and our accounts receivable are pledged as collateral for these obligations.

We have a significant amount of indebtedness, and certain of our core assets as well as our accounts receivable are pledged as collateral for these borrowings. If we are unable to repay all secured borrowings when due, whether at maturity or if declared due and payable following a default, our lenders have the right to proceed against the assets pledged to secure the indebtedness and may sell these assets in order to repay those borrowings, which could materially harm our business, financial condition and results of operations.

Our results of operations could be adversely affected by asset impairments.

We periodically review our portfolio of equipment and our intangible assets for impairment. In connection with the Merger, we expect to record intangibles associated with the combination of Legacy TGC and Legacy Dawson that we anticipate will be a significant asset on our consolidated balance sheet. Future events, including our financial performance, sustained decreases in oil and natural gas prices, reduced demand for our services, our market valuation or the market valuation of comparable companies, loss of a significant client's business, failure to realize the benefits of the Merger, or strategic decisions, could cause us to conclude that impairment indicators exist and that the asset values associated with our equipment or our intangibles, if any, must be impaired. If we are forced to impair our equipment or intangibles these noncash asset impairments could negatively affect our results of operations in a material manner in the period in which they are recorded, and the larger the amount of any impairment that may be taken, the greater the impact such impairment would have on our results of operations.

We may be subject to liability claims that are not covered by our insurance.

Our business is subject to the general risks inherent in land-based seismic data acquisition activities. Our activities are often conducted in remote areas under dangerous conditions including the detonation of dynamite. These operations are subject to risks of injury to personnel and damage to equipment.

Our crews are mobile, and equipment and personnel are subject to vehicular accidents. These risks could cause us to experience equipment losses, injuries to our personnel, and interruptions in our business.

In addition, we could be subject to personal injury or real property damage claims in the normal operation of our business. Such claims may not be covered under the indemnification provisions contained in our general service agreements to the extent that the damage is due to our negligence or intentional misconduct.

Our general service agreements require us to have specific amounts of insurance. However, we do not carry insurance against certain risks that could cause losses, including business interruption resulting from equipment maintenance or weather delays. Further, there can be no assurance, however, that any insurance obtained by us will be adequate to cover all losses or liabilities or that this insurance will continue to be available or available on terms which are acceptable to us. Liabilities for which we are not insured, or which exceed the policy limits of our applicable insurance, could have a materially adverse effect on us.

We may be held liable for the actions of our subcontractors.

We often work as the general contractor on seismic data acquisition surveys and, consequently, engage a number of subcontractors to perform services and provide products. While we obtain contractual indemnification and insurance covering the acts of these subcontractors and require the subcontractors to obtain insurance for our benefit, we could be held liable for the actions of these subcontractors. In addition, subcontractors may cause injury to our personnel or damage to our property that is not fully covered by insurance.

We are subject to the requirements of Section 404 of the Sarbanes-Oxley Act. If we are unable to maintain compliance with Section 404, or if the costs related to maintaining compliance are significant, our profitability, stock price, and results of operations and financial condition could be materially adversely affected.

If we are unable to maintain adequate internal controls in accordance with Section 404, as such standards are amended, supplemented, or modified from time to time, we may not be able to ensure that we have effective internal controls over financial reporting on an ongoing basis in accordance with Section 404. Failure to achieve and maintain effective internal controls could have a material adverse effect on our stock price. In addition, a material weakness in the effectiveness of our internal control over financial reporting could result in an increased chance of fraud and the loss of clients, reduce our ability to obtain financing, and/or require additional expenditures to comply with these requirements, each of which could negatively impact our business, profitability, and financial condition.

Industry Risks

We derive nearly all of our revenues from companies in the oil and natural gas exploration and development industry, a historically cyclical industry, with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices.

Demand for our services depends upon the level of expenditures by oil and natural gas companies for exploration, production, development and field management activities, which depend, in part, on oil and natural gas prices. Significant fluctuations in oil and natural gas exploration activities and oil and natural gas prices have adversely affected the demand for our services and our results of operations in the past and would continue to do so if the level of such exploration activities and the prices for oil and natural gas were to decline in the future. In addition to the market prices of oil and natural gas, the willingness of our clients to explore, develop and produce depends largely upon prevailing industry conditions that are influenced by numerous factors over which our management has no control, including general economic conditions and the availability of credit. Any prolonged reduction in the overall level of exploration and development activities, whether resulting from changes in oil and natural gas prices or otherwise, could adversely impact us in many ways by negatively affecting:

- our revenues, cash flows, and profitability;
- our ability to maintain or increase our borrowing capacity;
- our ability to obtain additional capital to finance our business and the cost of that capital; and
- our ability to attract and retain skilled personnel whom we would need in the event of an upturn in the demand for our services.

Worldwide political, economic, and military events have contributed to oil and natural gas price volatility and are likely to continue to do so in the future. Depending on the market prices of oil and natural gas, oil and natural gas exploration and development companies may cancel or curtail their capital expenditure and drilling programs, thereby reducing demand for our services, or may become unable to pay, or have to delay payment of, amounts owed to us for our services. Oil and natural gas prices have been highly

volatile historically and, we believe, will continue to be so in the future. Many factors beyond our control affect oil and natural gas prices including:

- the cost of exploring for, producing, and delivering oil and natural gas;
- the discovery rate of new oil and natural gas reserves;
- the rate of decline of existing and new oil and natural gas reserves;
- available pipeline and other oil and natural gas transportation capacity;
- the ability of oil and natural gas companies to raise capital and debt financing;

- actions by OPEC (the Organization of Petroleum Exporting Countries);
- political instability in the Middle East and other major oil and natural gas producing regions;
- economic conditions in the United States and elsewhere;
- domestic and foreign tax policy;
- domestic and foreign energy policy including increased emphasis on alternative sources of energy;
- weather conditions in the United States, Canada and elsewhere;
- the pace adopted by foreign governments for the exploration, development, and production of their national reserves;
- the price of foreign imports of oil and natural gas; and
- the overall supply and demand for oil and natural gas.

The high fixed costs of our operations could result in operating losses.

Companies within our industry are typically subject to high fixed costs which consist primarily of depreciation (a non-cash item) and maintenance expenses associated with seismic data acquisition and equipment and crew costs. In addition, ongoing maintenance capital expenditures, as well as new equipment investment, can be significant. As a result, any extended periods of significant downtime or low productivity caused by reduced demand, weather interruptions, equipment failures, permit delays, or other causes could result in operating losses.

We operate under hazardous conditions that subject us to risk of damage to property or personnel injuries and may interrupt our business.

Our business is subject to the general risks inherent in land-based seismic data acquisition activities. Our activities are often conducted in remote areas under extreme weather and other dangerous conditions, including the use of dynamite as an energy source. These operations are subject to risks of injury to our personnel and third parties and damage to our equipment and improvements in the areas in which we operate. In addition, our crews often operate in areas where the risk of wildfires is present and may be increased by our activities. Our crews are mobile, and equipment and personnel are subject to vehicular accidents. We use diesel fuel which is classified by the U.S. Department of Transportation as a hazardous material. These risks could cause us to experience equipment losses, injuries to our personnel and interruptions in our business. Delays due to operational disruptions such as equipment losses, personnel injuries and business interruptions could adversely affect our profitability and results of operations.

We and our clients may be adversely affected by an economic downturn.

An economic downturn could have a material adverse effect on our financial results and proposed plan of operations and could lead to further significant fluctuations in the demand for and pricing of oil and gas. Reduced demand and pricing pressures could adversely affect the financial condition and results of operations of our clients and their ability to purchase our services. We are not able to predict the timing, extent, and duration of the economic cycles in the markets in which we operate.

Our operations are subject to delays related to obtaining land access rights of way from third parties which could affect our results of operations.

Our seismic data acquisition operations could be adversely affected by our inability to obtain timely right of way usage from both public and private land and/or mineral owners. We cannot begin surveys on property without obtaining permits from governmental entities as well as the permission of the private landowners who own the land being surveyed. In recent years, it has become more difficult, costly and time-consuming to obtain access rights of way as drilling activities have expanded into more populated areas. Additionally, while landowners generally are cooperative in granting access rights, some have become more resistant to seismic and drilling activities occurring on their property. In addition, governmental entities do not always grant permits within the time periods expected. Delays associated with obtaining such rights of way could negatively affect our results of operations.

Our business is subject to government regulation that may adversely affect our future operations.

Our operations are subject to a variety of federal, state, and provincial and local laws and regulations, including laws and regulations relating to the protection of the environment and archeological sites and those that may result from climate change legislation. Canadian operations have been historically cyclical due to governmental restrictions on seismic acquisition during certain periods. As a result, there is a risk that there will be a significant amount of unused equipment during those periods. We are required to expend financial and managerial resources to comply with such laws and related permit requirements in our operations, and we anticipate that we will continue to be required to do so in the future. Although such expenditures historically have not been material to us, the fact that such laws or regulations change frequently makes it impossible for us to predict the cost or impact of such laws and regulations on our future operations. The adoption of laws and regulations that have the effect of reducing or curtailing exploration and development activities by energy companies could also adversely affect our operations by reducing the demand for our services.

Current and future legislation or regulation relating to climate change or hydraulic fracturing could negatively affect the exploration and production of oil and gas and adversely affect demand for our services.

In response to concerns suggesting that emissions of certain gases, commonly referred to as “greenhouse gases” (GHG) (including carbon dioxide and methane) may be contributing to global climate change, legislative and regulatory measures to address the concerns are in various phases of discussion or implementation at the national and state levels. At least one-half of the states, either individually or through multi-state regional initiatives, have already taken legal measures intended to reduce GHG emissions, primarily through the planned development of GHG emission inventories and/or GHG cap and trade programs. Although various climate change legislative measures have been under consideration by the U.S. Congress, it is not possible at this time to predict whether or when Congress may act on climate change legislation. The U.S. Environmental Protection Agency (the “EPA”) has promulgated a series of rulemakings and taken other actions that the EPA states will result in the regulation of GHG as “air pollutants” under the existing federal Clean Air Act.

Furthermore, in 2010, EPA regulations became effective that require monitoring and reporting of GHG emissions on an annual basis, including extensive GHG monitoring and reporting requirements. While this new rule does not control GHG emission levels from any facilities, it will cause covered facilities to incur monitoring and reporting costs. Moreover, lawsuits have been filed seeking to require individual companies to reduce GHG emissions from their operations. These and other lawsuits relating to GHG emissions may result in decisions by state and federal courts and agencies that could impact our operations.

This increasing governmental focus on global warming may result in new environmental laws or regulations that may negatively affect us, our suppliers and our clients. This could cause us to incur additional direct costs in complying with any new environmental regulations, as well as increased indirect costs resulting from our clients, suppliers or both incurring additional compliance costs that get passed on to us. Moreover, passage of climate change legislation or other federal or state legislative or regulatory initiatives that regulate or restrict emissions of GHG may curtail production and demand for fossil fuels such as oil and gas in areas where our clients operate and thus adversely affect future demand for our services. Reductions in our revenues or increases in our expenses as a result of climate control initiatives could have adverse effects on our business, financial position, results of operations and prospects.

Hydraulic fracturing is an important and commonly used process in the completion of oil and gas wells. Hydraulic fracturing involves the injection of water, sand and chemical additives under pressure into rock formations to stimulate gas production. Due to public concerns raised regarding potential impacts of hydraulic fracturing on groundwater quality, legislative and regulatory efforts at the federal level and in some states have been initiated to require or make more stringent the permitting and compliance requirements for hydraulic fracturing operations. At the federal level, a bill was introduced in Congress in March 2011 entitled, the "Fracturing Responsibility and Awareness of Chemicals Act," or the "FRAC Act," that would amend the federal Safe Drinking Water Act, or the "SDWA," to repeal an exemption from regulation for hydraulic fracturing. If the FRAC Act or similar legislation in the next Congress were enacted, the definition of "underground injection" in the SDWA would be amended to encompass hydraulic fracturing activities. Such a provision could require hydraulic fracturing operations to meet permitting and financial assurance requirements, adhere to certain construction specifications, fulfill monitoring, reporting, and recordkeeping obligations and meet plugging and abandonment

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requirements. The FRAC Act also proposes to require the reporting and public disclosure of chemicals used in the fracturing process, which could make it easier for third parties opposing the hydraulic fracturing process to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process could adversely affect groundwater. In early 2010, the EPA indicated in a website posting that it intended to regulate hydraulic fracturing under the SDWA and require permitting for any well where hydraulic fracturing was conducted with the use of diesel as an additive. While industry groups have challenged the EPA's website posting as improper rulemaking, the Agency's position, if upheld, could require additional permitting. In addition, the EPA has commenced a study of the potential adverse effects that hydraulic fracturing may have on water quality and public health, and a committee of the U.S. House of Representatives has commenced its own investigation into hydraulic fracturing practices. These legislative and regulatory initiatives imposing additional reporting obligations on, or otherwise limiting, the hydraulic fracturing process could make it more difficult or costly to complete natural gas wells. Shale gas cannot be economically produced without extensive fracturing. In the event such legislation is enacted, demand for our seismic acquisition services may be adversely affected.

Risks Related To Our Common Stock

Our common stock has experienced, and may continue to experience, price volatility and low trading volume.

Our stock price is subject to significant volatility. Overall market conditions, including a decline in oil and natural gas prices and other risks and uncertainties described in this "Risk Factors" section and in our other filings with the Securities and Exchange Commission, could cause the market price of our common stock to fall. Our high and low sales price following the Merger through March 31, 2015 were $7.31 and $4.27, respectively. Further, the high and low sales prices of Legacy TGC's common stock for the twelve months ended December 31, 2014 were $22.35 and $5.79, respectively, as adjusted for the 1-for-3 reverse stock split effected on February 11, 2015 prior to the Merger, and the high and low sales prices of Legacy Dawson's common stock for the twelve months ended December 31, 2014 were $34.90 and $10.40, respectively.

Our common stock is listed on the Nasdaq Global Select Market under the symbol "DWSN." However, daily trading volumes for our common stock are, and may continue to be, relatively small compared to many other publicly traded securities. For example, during 2014 Legacy TGC's daily trading volume was as low as 2,266 shares, as adjusted for the 1-for-3 reverse stock split effected on February 11, 2015 prior to the Merger. It may be difficult for you to sell your shares in the public market at any given time at prevailing prices, and the price of our common stock may, therefore, be volatile.

Certain provisions of our amended and restated certificate of formation may make it difficult for a third party to acquire us in the future or may adversely impact your ability to obtain a premium in connection with a future change of control transaction.

Our amended restated certificate of formation, as amended, contains provisions that require the approval of holders of 80% of our issued and outstanding shares before we may merge or consolidate with or into another corporation or entity or sell all or substantially all of our assets to another corporation or entity. Additionally, if we increase the size of our board from the current eight directors to nine directors, we could by resolution of the board of directors stagger the directors' terms, and our directors could not be removed without approval of holders of 80% of our issued and outstanding shares. These provisions could discourage or impede a tender offer, proxy contest or other similar transaction involving control of us.

In addition, our board of directors has the right to issue preferred stock upon such terms and conditions as it deems to be in our best interest. The terms of such preferred stock may adversely impact the dividend and liquidation rights of our common shareholders without the approval of our common shareholders.

If the price of our common stock trades below $5.00 per share, it may be considered a low-priced stock and may be subject to regulations that limit or restrict the potential market for the stock.

Our common stock may be considered a low priced stock pursuant to rules promulgated under the Securities Exchange Act of 1934, as amended, if it trades below a price of $5.00 per share. Under these rules, broker-dealers participating in transactions in low priced securities must first deliver a risk disclosure document which describes the risks associated with such stock, the broker-dealer's duties, the client's rights and remedies, and certain market and other information, and make a suitability determination approving the client for low priced stock transactions based on the client's financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing and provide monthly account statements to the client, and obtain specific written consent of the client. With these restrictions, the likely effect of designation as a low price stock would be to decrease the willingness of broker-dealers to make a market for our common stock, to decrease the liquidity of the stock and to increase the transaction costs of sales and purchase of such stocks compared to other securities. As of April 29, 2015, our common stock was quoted at a closing sales price of $5.69 per share and we cannot guarantee that our common stock will trade at a price greater than $5.00 per share.

We do not expect to pay cash dividends on our common stock for the foreseeable future, and therefore only appreciation of the price of our common stock may provide a return to shareholders.

While there are currently no restrictions prohibiting us from paying dividends to our shareholders, our board of directors, after consideration of general economic and market conditions affecting the energy industry in general, and the oilfield services business in particular, determined that we would not pay a dividend in respect of the quarters ended December 31, 2014 and March 31, 2015 or for the foreseeable future. Payment of any dividends in the future will be at the discretion of our board and will depend on our financial condition, results of operations, capital and legal requirements, and other factors deemed relevant by the board.