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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JULY 31, 2000

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

COMMISSION FILE NUMBER 000-25142

MITCHAM INDUSTRIES, INC.
(Name of registrant as specified in its charter)

TEXAS	76-0210849
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

44000 HIGHWAY 75 SOUTH
HUNTSVILLE, TEXAS 77340
(Address of principal executive offices)

(936) 291-2277
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ---

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 9,001,912 shares of Common Stock, $0.01 par value, were outstanding as of September 11, 2000.

MITCHAM INDUSTRIES, INC.
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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

ASSETS	July 31, 2000 (Unaudited)	January 31, 2000
CURRENT ASSETS:		
Cash	$ 1,268	$ 3,588
Marketable securities, at market	11,899	13,811
Accounts receivable, net	2,709	4,505
Notes receivable	1,614	1,183
Inventory	2,676	2,557
Income tax receivable	3,418	2,795
Deferred tax asset	335	220
Prepaid expenses and other current assets	482	175
Total current assets	24,401	28,834
Seismic equipment lease pool, property and equipment	72,227	71,980
Accumulated depreciation of seismic equipment lease pool, property and equipment	(40,521)	(36,697)
Notes receivable	775	1,100
Deferred tax asset	2,046	2,488
Total assets	$ 58,928	$ 67,705
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 2,202	$ 5,927
Deferred revenue	724	809
Accrued liabilities and other current liabilities	579	694
Total current liabilities	3,505	7,430
SHAREHOLDERS' EQUITY:		
Preferred stock, $1.00 par value; 1,000,000 shares authorized; none issued and outstanding	-	-
Common stock, $0.01 par value; 20,000,000 shares authorized; 9,551,112 and 9,551,112 shares, respectively, issued	96	96
Additional paid-in capital	61,459	61,459
Treasury stock, at cost	(2,738)	-
Accumulated deficit	(2,363)	(620)
Cumulative translation adjustment	(1,031)	(660)
Total shareholders' equity	55,423	60,275
Total liabilities and shareholders' equity	$ 58,928	$ 67,705

The accompanying notes are an integral part of these condensed consolidated financial statements.

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED JULY 31,		SIX MONTHS ENDED JULY 31,	
	2000	1999	2000	1999
REVENUES:				
Short-term leasing	$ 2,232	$ 431	$ 5,188	$ 1,729
Leasing under lease/purchase agreements	342	18	368	202
Other equipment sales	1,623	176	2,749	339
Total revenues	4,197	625	8,305	2,270
COSTS AND EXPENSES:				
Direct costs	256	207	775	314
Cost of other equipment sales	970	1	1,806	110
General and administrative	1,120	858	2,043	1,950
Provision for doubtful accounts	25	75	75	125
Depreciation	2,932	2,347	5,992	4,598
Total costs and expenses	5,303	3,488	10,691	7,097
OPERATING LOSS	(1,106)	(2,863)	(2,386)	(4,827)
Other income - net	156	168	316	310
LOSS BEFORE INCOME TAXES	(950)	(2,695)	(2,070)	(4,517)
BENEFIT FOR INCOME TAXES	-	(603)	(327)	(1,183)
NET LOSS	$ (950)	$ (2,092)	$ (1,743)	$ (3,334)
Loss per common share:				
Basic	$ (0.10)	$ (0.22)	$ (0.19)	$ (0.35)
Diluted	$ (0.10)	$ (0.22)	$ (0.19)	$ (0.35)
Shares used in computing loss per common share:				
Basic	9,191,000	9,551,000	9,315,000	9,550,000
Dilutive effect of common stock equivalents	-	-	-	-
Diluted	9,191,000	9,551,000	9,315,000	9,550,000

The accompanying notes are an integral part of these
condensed consolidated financial statements.

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	SIX MONTHS ENDED JULY 31, 2000	SIX MONTHS ENDED JULY 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,743)	$ (3,334)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Depreciation	5,992	4,598
Provision for doubtful accounts, net of charge offs	74	(591)
Inventory	(238)	(55)
Accounts receivable	1,460	4,327
Federal income taxes	(295)	(1,695)
Accounts payable and other current liabilities	(3,799)	(593)
Other assets	(286)	(108)
Net cash provided by operating activities	1,165	2,549
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of seismic equipment held for lease	(3,809)	(1,915)
Purchases of property and equipment	(131)	(91)
Sale (purchase) of marketable securities, net	1,912	(851)
Disposal of seismic equipment lease pool, property and equipment	1,281	67
Net cash used in investing activities	(747)	(2,790)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchases of treasury stock	(2,738)	-
Net cash used in financing activities	(2,738)	-
NET DECREASE IN CASH	(2,320)	(241)
CASH, BEGINNING OF PERIOD	3,588	2,525
CASH, END OF PERIOD	$ 1,268	$ 2,284
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ -	$ 10
Income taxes	$ -	$ 500

The accompanying notes are an integral part of these condensed consolidated financial statements.

MITCHAM INDUSTRIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of Mitcham Industries, Inc. ("the Company") have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's latest Annual Report to Shareholders and the Annual Report on Form 10-K for the year ended January 31, 2000. In the opinion of the Company, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position as of July 31, 2000; the results of operations for the three and six months ended July 31, 2000 and 1999; and cash flows for the six months ended July 31, 2000 and 1999 have been included. The foregoing interim results are not necessarily indicative of the results of the operations for the full fiscal year ending January 31, 2001.

2. COMMITMENTS AND CONTINGENCIES

Legal Proceedings
On or about April 23, 1998, several class action lawsuits were filed against the Company and its chief executive officer and then chief financial officer in the U.S. District Court for the Southern District of Texas, Houston Division. The first-filed complaint, styled Stanley Moskowitz ("Plaintiffs") v. Mitcham Industries, Inc., Billy F. Mitcham, Jr. and Roberto Rios ("Defendants"), alleged violations of Section 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934 and Sections 11 and 12(a)(2) of the Securities Act of 1933. On or about September 21, 1998, the complaints were consolidated into one action. On November 4, 1998, the Plaintiffs filed a consolidated amended complaint ("CAC"), which seeks class action status on behalf of those who purchased the Company's common stock from June 4, 1997 through March 26, 1998, and damages in an unspecified amount plus costs and attorney's fees. The CAC alleges that the Defendants made materially false and misleading statements and omissions in public filings and announcements concerning its business and its allowance for doubtful accounts. On or about January 15, 1999, the Defendants filed a motion to dismiss the CAC. On September 28, 1999, the Court granted in part and denied in part the Defendants' motion to dismiss, and granted Plaintiffs leave to amend on certain claims. On December 8, 1999, Plaintiffs filed their second consolidated amended complaint ("SCAC"). On December 14, 1999, Plaintiffs served discovery on Defendants. On January 28, 2000, Defendants filed a motion to dismiss the SCAC. On February 4, 2000, the Court agreed with Defendants that Plaintiffs' discovery was improper because, under the Reform Act, discovery is stayed until the Court sustains the sufficiency of the SCAC. On February 28, 2000, the Plaintiffs filed an opposition to Defendants' motions to dismiss, and on March 15, 2000, Defendants filed their reply. The Company awaits the Court's ruling.

The Company is also involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

3. TREASURY STOCK

In February 2000, the Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's common stock. The Company has repurchased 525,400 shares of its common stock at an average price of $5.21 per share as of July 31, 2000 and has classified these shares as treasury stock in the accompanying financial statements. The Company expects it will continue to purchase its shares from time to time in the open market or in privately negotiated purchase transactions as market and financial conditions warrant.

4. RECLASSIFICATIONS

Certain 1999 amounts have been reclassified to conform to 2000 presentation.

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

OVERVIEW

The Company's sales are directly related to the level of worldwide oil and gas exploration activities and the profitability and cash flows of oil and gas companies and seismic contractors, which in turn are affected by expectations regarding the supply and demand for oil and natural gas, energy prices and finding and development costs. The Company believes that during the latter half of 1998, the exploration and production companies anticipated an extended period of low oil and gas prices and began to reduce their intended levels of expenditures for seismic data. Consolidation within the oil industry has also delayed seismic data acquisition projects.

Until the exploration and production companies can forecast with reasonable certainty that future oil prices will stabilize, seismic data acquisition activity is not expected to improve. Additional declines in oil prices, or expectations that the recent improvement in oil prices will not hold, could cause the Company's customers to further reduce their spending and further adversely affect the Company's results of operation and financial condition.

The Company leases and sells seismic data acquisition equipment primarily to seismic data acquisition companies and oil and gas companies conducting land and transition zone seismic surveys worldwide. The Company provides short-term leasing of seismic equipment to meet a customer's requirements and offers maintenance and support during the lease term. The majority of all leases at July 31, 2000 were for a term of one year or less. Seismic equipment held for lease is carried at cost, net of accumulated depreciation.

SEASONALITY

Historically, seismic equipment leasing has been susceptible to weather patterns in certain geographic regions. There is some seasonality to the Company's expected lease revenues, especially from customers operating in Canada, where a significant percentage of seismic survey activity occurs in the winter months, from October through March. During the months in which the weather is warmer, certain areas are not accessible to trucks, earth vibrators and other equipment because of the unstable terrain. This seasonal leasing activity by the Company's Canadian customers has historically resulted in increased lease revenues in the Company's first and fourth fiscal quarters. However, due to the significant decrease in world oil prices in 1998, demand for the Company's services both in Canada and worldwide declined dramatically in the fourth quarter of fiscal 1999 and remained at historically low levels throughout fiscal 2000.

RESULTS OF OPERATIONS

For the three months ended July 31, 2000 and 1999

For the quarter ended July 31, 2000, total revenues increased by $3.6 million to $4.2 million from $625,000 in the corresponding period of the prior year. Approximately $0.5 million of lease revenue is related to rentals of equipment during the prior two quarters which had not been recorded pending collection. These funds were collected in June. This quarter's results reflect a significant increase in all categories of revenues compared to total revenues for the same period of the prior year, mainly a reflection of the increased seismic activity worldwide.

Equipment sales and leasing revenues under lease/purchase agreements during the quarter ended July 31, 2000 were not significant, as the Company recorded no revenues from the exercise of the purchase option of lease/purchase contracts. During the quarter ended July 31, 2000, other equipment sales generated a gross margin of 40% as compared to 99% for the same period in 1999. Gross margins on equipment sales may vary significantly between periods due to the mix of new versus older equipment being sold.

General and administrative expenses increased by $262,000 from the corresponding prior year period primarily due to an increase in advertising, convention, travel and business promotion expenses partially offset by a decrease in investor relations expenses. Additionally, the Company incurred personnel and related costs during 2000 associated with international marketing efforts.

Depreciation expense for the quarter ended July 31, 2000 increased by $585,000, or 25%, to $2.9 million from $2.3 million for the same period last year. The increase is primarily the result of capital additions to the seismic equipment lease pool during the past year.

The Company recorded a net loss for the quarter ended July 31, 2000 in the amount of $950,000 compared to a net loss of $2,092,000 for the same period of the previous year.

For the six months ended July 31, 2000 and 1999

For the six months ended July 31, 2000, total revenues increased by $6.0 million to $8.3 million from $2.3 million in the corresponding period of the prior year. Approximately $0.5 million of lease revenue is related to rentals of equipment that occurred prior to the quarter ended July 31, 2000, which had not been recorded pending collection. Of this amount, approximately $0.3 million relates to rentals during the prior fiscal year. These funds were collected in June. Year to date revenues through July 31, 2000 reflects a significant increase in all categories of revenues compared to total revenues for the same period of the prior year, mainly a reflection of the increased seismic activity worldwide.

Equipment sales and leasing revenues under lease/purchase agreements during the six months ended July 31, 2000 were not significant, as the Company recorded no revenues from the exercise of the purchase option of lease/purchase contracts.

During the six months ended July 31, 2000, other equipment sales generated a gross margin of 34% as compared to 68% for the same period in 1999. Gross margins on equipment sales may vary significantly between periods due to the mix of new versus older equipment being sold.

General and administrative expenses increased by $93,000 from the corresponding prior year period primarily due to personnel and related costs associated with international marketing efforts, an increase in convention, travel and business promotion expenses, partially offset by a decrease in legal and accounting fees.

Depreciation expense for the six months ended July 31, 2000 increased by $1.4 million, or 30%, to $6.0 million from $4.6 million for the same period last year. The increase is primarily the result of a larger seismic equipment lease pool, on a cost basis, as compared to July 31, 1999. Additionally, the Company has sold older, more fully depreciated seismic equipment during the past year and replaced it with newer equipment, thus increasing depreciation expense. The Company's seismic equipment lease pool increased by $7.2 million, on a cost basis, to $70.5 million at July 31, 2000, from $63.3 million at July 31, 1999.

The Company recorded a net loss for the six months ended July 31, 2000 in the amount of $1,743,000 compared to a net loss of $3,334,000 for the same period of the previous year.

LIQUIDITY AND CAPITAL RESOURCES

As of July 31, 2000, the Company had net working capital of approximately $20.9 million as compared to net working capital of $21.4 million at January 31, 2000. Historically, the Company's principal liquidity requirements and uses of cash have been for capital expenditures and working capital and our principal sources of cash have been cash flows from operations and issuances of equity securities. Net cash provided by operating activities for the six months ended July 31, 2000 was $1.2 million, as compared to net cash provided by operating activities of $2.5 million for the six months ended July 31, 1999.

At July 31, 2000, the Company had trade accounts receivable of $1.5 million that were more than 90 days past due. As of July 31, 2000, the Company's allowance for doubtful accounts was approximately $0.9 million, which management believes is sufficient to cover any losses in its customer receivables, including any losses in its international customers' accounts.

Capital expenditures for the six months ended July 31, 2000 totaled approximately $3.9 million compared to capital expenditures of $2.0 million for the corresponding period in the prior year. During the six months ended July 31, 2000, the Company repurchased 525,400 shares of its common stock for an aggregate cost of $2,738,000, or $5.21 per share. The Company is presently evaluating its capital expenditure requirements for the upcoming winter season. Management believes that cash on hand and cash provided by future operations will be sufficient to fund its anticipated capital and liquidity needs over the next twelve months.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates to the extent that transactions are not denominated in U.S. dollars. The Company typically denominates the majority of its lease and sales contracts in U.S. dollars to mitigate the exposure to fluctuations in foreign currencies.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain information contained in this Quarterly Report on Form 10-Q (including statements contained in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Part II, Item 1. "Legal Proceedings"), as well as other written and oral statements made or incorporated by reference from time to time by the Company and its representatives in other reports, filings with the Securities and Exchange Commission, press releases, conferences, or otherwise, may be deemed to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. This information includes, without limitation, statements concerning the Company's future financial position and results of operations; planned capital expenditures; business strategy and other plans for future operations; the future mix of revenues and business; commitments and contingent liabilities; and future demand for the Company's services and predicted improvement in energy industry and seismic service industry conditions. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. When used in this report, the words "anticipate," "believe," "estimate," "expect," "may," and similar expressions, as they relate to the Company and its management, identify forward-looking statements. The actual results of future events described in such forward-looking statements could differ materially from the results described in the forward-looking statements due to the risks and uncertainties set forth below and elsewhere within this Quarterly Report on Form 10-Q.

PROLONGED AND GRADUAL RECOVERY OF OIL AND GAS INDUSTRY AND REDUCED DEMAND FOR SERVICES

Demand for the Company's services depends on the level of spending by oil and gas companies for exploration, production and development activities, as well as on the number of crews conducting land and transition zone seismic data acquisition worldwide, and especially in North America. Because of the prolonged and gradual recovery of the energy services sector, there has been a decreased demand for the Company's services. Increases in the price of oil have not yet countered decreased demand. As such, the seismic equipment sector may lag other sectors of the energy services industry in its turnaround. Any future fluctuations in the price of oil and gas in response to relatively minor changes in the supply and demand for oil and gas will continue to have a major effect on exploration, production and development activities and thus, on the demand for the Company's services.

LOSS OF SIGNIFICANT CUSTOMERS WILL ADVERSELY AFFECT THE COMPANY

The Company typically leases and sells significant amounts of seismic equipment to a relatively small number of customers, the composition of which changes from year to year as leases are initiated and concluded and as customers' equipment needs vary. Therefore, at any one time, a large portion of the Company's revenues may be derived from a limited number of customers. In the fiscal year ended January 31, 2000, the single largest customer accounted for approximately 17% of the Company's total revenues. Because the Company's customer base is relatively small, the loss of one or more customers for any reason could adversely affect the Company's results of operations.

SIGNIFICANT DEFAULTS OF PAST-DUE CUSTOMER RECEIVABLES WOULD ADVERSELY AFFECT THE COMPANY'S RESULTS OF OPERATIONS

The Company has approximately $6.0 million of customer accounts and notes receivable at July 31, 2000, of which $1.5 million of customer accounts receivable is over ninety days past-due. At July 31, 2000, the Company has an allowance of $917,000 to cover losses in its receivable balances. Significant payment defaults by its customers in excess of the allowance would have a material adverse effect on the Company's financial position and results of operations.

DEPENDENCE ON ADDITIONAL LEASE CONTRACTS

The Company's seismic equipment leases typically have a term of three to nine months and provide gross revenues that recover only a portion of the Company's capital investment. The Company's ability to generate lease revenues and profits is dependent on obtaining additional lease contracts after the termination of an original lease. However, lessees are under no obligation to, and frequently do not, continue to lease seismic equipment after the expiration of a lease. Although the Company has been successful in obtaining additional lease contracts with other lessees after the termination of the original leases, there can be no assurance that it will continue to do so. The Company's failure to obtain additional or extended leases beyond the initial term would have a material adverse effect on its operations and financial condition.

DEPENDENCE ON KEY PERSONNEL

The Company's success is dependent on, among other things, the services of certain key personnel, including specifically Billy F. Mitcham, Jr., Chairman of the Board, President and Chief Executive Officer of the Company. Mr. Mitcham's employment agreement has an initial term through January 15, 2002, and is automatically extended on a year-to-year basis until terminated by either party giving 30 days notice prior to the end of the current term (subject to earlier termination on certain stated events). The agreement prohibits Mr. Mitcham from engaging in any business activities that are competitive with the Company's business and from diverting any of the Company's customers to a competitor for two years after the termination of his employment. The loss of the services of Mr. Mitcham could have a material adverse effect on the Company. In particular, the Exclusive Equipment Lease Agreement with Sercel is terminable at such time as he is no longer employed by the Company in a senior management capacity.

TECHNOLOGICAL OBSOLESCENCE

The Company has a substantial capital investment in seismic data acquisition equipment. The development by manufacturers of seismic equipment of newer technology systems or component parts that have significant competitive advantages over seismic systems and component parts now in use could have an adverse effect on the Company's ability to profitably lease and sell its existing seismic equipment.

During the fiscal year ended January 31, 1999, the Company recorded a pretax asset impairment charge of $15.1 million. Included in this charge is a $900,000 lower of cost or market adjustment related to certain seismic equipment assets classified as inventory. The non-cash asset impairment charge was recorded in accordance with SFAS No. 121, which requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The severity as well as the duration of the current oil and gas industry downturn is such an event. The Company's review of its long-lived assets indicated that the carrying value of certain of the Company's seismic equipment lease pool and inventory assets was more than the estimated undiscounted future net cash flows. As such, under SFAS No. 121, the Company wrote down those assets to their estimated fair market value based on discounted cash flows using an effective rate of 8.0%. Undiscounted future net cash flows were calculated based on individual types of seismic equipment using projected future utilization and lease rates over the estimated remaining useful lives of the assets. The Company's seismic equipment assets have been historically depreciated over 3-10 years. The impairment was recorded based on certain estimates and projections as stipulated in SFAS No. 121. There can be no assurance that the Company will not record asset impairment charges under SFAS No. 121 in the future.

INTERNATIONAL ECONOMIC AND POLITICAL INSTABILITY COULD ADVERSELY AFFECT THE COMPANY'S RESULTS OF OPERATIONS

The Company's results of operations are dependent upon the current political and economic climate of several international countries in which its customers either operate or are located. International sources accounted for approximately 71% of the Company's revenues in the fiscal year ended January 31, 2000, and 9% of international revenues were attributable to lease and sales activities in South America. Since the majority of the Company's lease and sales contracts with its customers are denominated in U.S. dollars, there is little risk of loss from fluctuations in foreign currencies. However, the Company's internationally-sourced revenues are still subject to the risk of currency exchange controls (in which payment could not be made in U.S. dollars), taxation policies, and appropriation, as well as to political turmoil, civil disturbances, armed hostilities, and other hazards. While the Company's results of operations have not been adversely affected by those risks to date, there is no assurance its business and results of operations won't be adversely affected in the future.

VULNERABILITY TO WEATHER CONDITIONS AND SEASONAL RESULTS

The first and fourth quarters of the Company's fiscal year have historically accounted for a greater portion of the Company's revenues than do the second and third quarters of its fiscal year. This seasonality in revenues is primarily due to the increased seismic survey activity in Canada from October through March, which affects the Company due to its significant Canadian operations. This seasonal pattern may cause the Company's results of operations to vary significantly from quarter to quarter. However, due to the significant decrease in world oil prices in 1998, demand for the Company's services both in Canada and worldwide declined dramatically in the fourth quarter of fiscal 1999 and has remained at historically low levels throughout fiscal 2000. Accordingly, period-to-period comparisons are not necessarily meaningful and should not be relied on as indicative of future results.

DEPENDENCE ON KEY SUPPLIERS

The Company has and continues to rely on purchase agreements with Sercel and Pelton Company, Inc. To a lesser extent, the Company also relies on its suppliers for lease referrals. The termination of these agreements for any reason could materially adversely affect the Company's business. Any difficulty in obtaining seismic equipment from suppliers could have a material adverse effect on the Company's business, financial condition and results of operations.

COMPETITION

Competition in the leasing of seismic equipment is fragmented, and the Company is aware of several companies that engage in seismic equipment leasing. The Company believes that its competitors, in general, do not have as extensive a seismic equipment lease pool as does the Company. The Company also believes that its competitors do not have similar exclusive lease referral agreements with suppliers. Competition exists to a lesser extent from seismic data acquisition contractors that may lease equipment that is temporarily idle.

The Company has several competitors engaged in seismic equipment leasing and sales, including seismic equipment manufacturers, companies providing seismic surveys and oil and gas exploration companies that use seismic equipment, many of which have substantially greater financial resources than the Company. There are also several smaller competitors who, in the aggregate, generate significant revenue from the sale of seismic survey equipment. Pressures from existing or new competitors could adversely affect the Company's business operations.

VOLATILE STOCK PRICES AND NO PAYMENT OF DIVIDENDS

Due to current energy industry conditions, energy and energy service company stock prices, including the Company's stock price, have been extremely volatile. Such stock price volatility could adversely affect the Company's business operations by, among other things, impeding its ability to attract and retain qualified personnel and to obtain additional financing if such financing is ever needed. The Company has historically not paid dividends on its common stock and does not anticipate paying dividends in the foreseeable future.

POSSIBLE ADVERSE EFFECT OF ANTI-TAKEOVER PROVISIONS; POTENTIAL ISSUANCE OF PREFERRED STOCK

Certain provisions of the Company's Articles of Incorporation and the Texas Business Corporation Act may tend to delay, defer or prevent a potential unsolicited offer or takeover attempt that is not approved by the Board of Directors but that the Company's shareholders might consider to be in their best interest, including an attempt that might result in shareholders receiving a premium over the market price for their shares. Because the Board of Directors is authorized to issue preferred stock with such preferences and rights as it determines, it may afford the holders of any series of preferred stock preferences, rights or voting powers superior to those of the holders of common stock. Although the Company has no shares of preferred stock outstanding and no present intention to issue any shares of its preferred stock, there can be no assurance that the Company will not do so in the future.

LIMITATION ON DIRECTORS' LIABILITY

The Company's Articles of Incorporation provide, as permitted by governing Texas law, that a director of the Company shall not be personally liable to the Company or its shareholders for monetary damages for breach of fiduciary duty as a director, with certain exceptions. These provisions may discourage shareholders from bringing suit against a director for breach of fiduciary duty and may reduce the likelihood of derivative litigation brought by shareholders on behalf of the Company against a director.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On or about April 23, 1998, several class action lawsuits were filed against the Company and its chief executive officer and then chief financial officer in the U.S. District Court for the Southern District of Texas, Houston Division. The first-filed complaint, styled Stanley Moskowitz ("Plaintiffs") v. Mitcham Industries, Inc., Billy F. Mitcham, Jr. and Roberto Rios ("Defendants"), alleged violations of Section 10(b), Rule 10b-5 and 20(a) of the Securities Exchange Act of 1934 and Sections 11 and 12(a)(2) of the Securities Act of 1933. On or about September 21, 1998, the complaints were consolidated into one action. On November 4, 1998, the Plaintiffs filed a consolidated amended complaint ("CAC"), which seeks class action status on behalf of those who purchased the Company's common stock from June 4, 1997 through March 26, 1998, and damages in an unspecified amount plus costs and attorney's fees. The CAC alleges that the Defendants made materially false and misleading statements and omissions in public filings and announcements concerning its business and its allowance for doubtful accounts. On or about January 15, 1999, the Defendants filed a motion to dismiss the CAC. On September 28, 1999, the Court granted in part and denied in part the Defendants' motion to dismiss, and granted Plaintiffs leave to amend on certain claims. On December 8, 1999, Plaintiffs filed their second consolidated amended complaint ("SCAC"). On December 14, 1999, Plaintiffs served discovery on Defendants. On January 28, 2000, Defendants filed a motion to dismiss the SCAC. On February 4, 2000, the Court agreed with Defendants that Plaintiffs' discovery was improper because, under the Reform Act, discovery is stayed until the Court sustains the sufficiency of the SCAC. On February 28, 2000, the Plaintiffs filed an opposition to Defendants' motions to dismiss, and on March 15, 2000, Defendants filed their reply. The Company awaits the Court's ruling.

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

(a) The Company held its Annual Meeting of Shareholders on July 19, 2000. Shareholders of record at the close of business on May 25, 2000 were entitled to vote.

(b) Shareholders elected each of the seven directors nominated for the board of directors:

NAME OF NOMINEE	FOR	AGAINST	ABSTAINING	WITHHELD
Billy F. Mitcham, Jr.	8,681,107	-	39,360	830,645
R. Dean Lewis	8,681,619	-	38,848	830,645
Paul C. Mitcham	8,681,107	-	39,360	830,645
John F. Schwalbe	8,684,119	-	36,348	830,645
William J. Sheppard	8,684,119	-	66,348	800,645
P. Blake Dupuis	8,684,119	-	36,348	830,645
Peter H. Blum	8,684,119	-	36,348	830,645

(c) The Shareholders ratified approval of the Company's 2000 Stock Option Plan:

FOR	AGAINST	ABSTAINING	WITHHELD
4,812,267	497,173	63,285	4,178,387

(d)The Shareholders ratified the appointment of Hein + Associates LLP as the Company's independent certified public accountants:

FOR	AGAINST	ABSTAINING	NON-VOTE
8,661,962	36,770	21,735	830,645

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) REPORTS ON FORM 8-K
None

(b) EXHIBITS

11 - Statement Re Computation of Loss Per Share

27 - Financial Data Schedule

SIGNATURES

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

MITCHAM INDUSTRIES, INC.

Date: September 14, 2000

/s/ P. BLAKE DUPUIS

P. Blake Dupuis,
Chief Financial Officer
(Authorized Officer and Principal
Accounting Officer)

INDEX TO EXHIBITS

EXHIBIT 11

MITCHAM INDUSTRIES, INC.
STATEMENT RE COMPUTATION OF LOSS
PER SHARE
(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

	THREE MONTHS ENDED JULY 31,		SIX MONTHS ENDED JULY 31,	
	2000	1999	2000	1999
COMPUTATION OF BASIC LOSS PER COMMON SHARE:				
Net loss	$ (950)	$ (2,092)	$ (1,743)	$ (3,334)
Weighted average number of common shares outstanding	9,191,000	9,551,000	9,315,000	9,550,000
Loss per common share	$ (0.10)	$ (0.22)	$ (0.19)	$ (0.35)
COMPUTATION OF LOSS PER COMMON SHARE ASSUMING DILUTION:				
Net loss	$ (950)	$ (2,092)	$ (1,743)	$ (3,334)
Weighted average number of common shares outstanding	9,191,000	9,551,000	9,315,000	9,550,000
Net effect of dilutive stock options and warrants based on the treasury stock method, using the average market price	-	-	-	-
Common shares outstanding assuming dilution	9,191,000	9,551,000	9,315,000	9,550,000
Loss per common share assuming dilution	$ (0.10)	$ (0.22)	$ (0.19)	$ (0.35)

5
1,000

6-MOS
JAN-31-2001
FEB-01-2000
JUL-31-2000
1,268
11,899
6,015
917
2,676
24,401
72,227
40,521
58,928
3,505
0
0
0
96
55,327
58,928
2,749
8,305
1,806
10,691
8,810
75
0
(2,070)
(327)
(1,743)
0
0
0
(1,743)
(.19)
(.19)