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

FORM 10-Q

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(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, 2002

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

COMMISSION FILE NUMBER 000-25142

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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)

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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: 8,742,801 shares of Common Stock, $0.01 par value, were outstanding as of September 13, 2002.

INDEX

PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except share data)

ASSETS	July 31, 2002 (Unaudited)	January 31, 2002
Current Assets:		
Cash	$ 4,676	$ 8,244
Accounts receivable, net	1,637	3,431
Notes receivable	749	851
Prepaid expenses and other current assets	459	407
Total current assets	7,521	12,933
Seismic equipment lease pool, property and equipment	87,153	90,381
Accumulated depreciation of seismic equipment lease pool, property and equipment	(46,636)	(44,814)
Notes receivable	231	275
Other assets	17	20
Total assets	$ 48,286	$ 58,795

LIABILITIES AND SHAREHOLDERS' EQUITY	July 31, 2002 (Unaudited)	January 31, 2002
Current Liabilities:		
Accounts payable	$ 1,956	$ 8,659
Current maturities -- long-term debt	2,046	2,515
Deferred revenue	224	314
Accrued wages	206	265
Accrued expenses and other current liabilities	681	360
Total current liabilities	5,113	12,113
Long-term debt	5,702	4,079
Total liabilities	10,815	16,192
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; 9,657,801 shares issued	97	97
Additional paid-in capital	61,814	61,814
Treasury stock, at cost, 907,200 shares	(4,671)	(4,671)
Accumulated deficit	(17,325)	(12,023)
Accumulated other comprehensive loss	(2,444)	(2,614)
Total shareholders' equity	37,471	42,603
Total liabilities and shareholders' equity	$ 48,286	$ 58,795

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,	
	2002	2001	2002	2001
REVENUES:				
Equipment leasing	$ 614	$ 5,539	$ 4,094	$ 11,794
Equipment sales and other	399	2,528	3,979	3,346
Front-end services	1,023	--	1,350	--
Total revenues	2,036	8,067	9,423	15,140
COSTS AND EXPENSES:				
Direct costs	1,368	264	2,058	1,142
Cost of other equipment sales	221	1,372	3,414	1,902
General and administrative	1,402	1,079	2,786	2,151
Provision (benefit) for doubtful accounts	(1,704)	50	(1,704)	75
Depreciation	3,937	4,410	7,799	8,397
Total costs and expenses	5,224	7,175	14,353	13,667
OPERATING INCOME (LOSS)	(3,188)	892	(4,930)	1,473
Other income (expense) -				

net (60) (60)
(84) (147) --
------- -----
---- --------
- ---------
INCOME (LOSS)
BEFORE INCOME
TAXES (3,248)
832 (5,014)
1,326
PROVISION FOR
INCOME TAXES
-- 499 288
499 ---------
--------- ---
------ ------
--- NET
INCOME (LOSS)
$ (3,248) $
333 $ (5,302)
$ 827
=========
=========
=========
=========
Earnings
(loss) per
common share:
Basic $
(0.37) $ 0.04
$ (0.61) $
0.09 Diluted
$ (0.37) $
0.04 $ (0.61)
$ 0.09
=========
=========
=========
=========
Shares used
in computing
earnings
(loss) per
common share:
Basic
8,751,000
8,918,000
8,751,000
8,918,000
Dilutive
effect of
common stock
equivalents -
- 274,000 --
252,000 -----
---- --------
- --------- -

Diluted
8,751,000
9,192,000
8,751,000
9,170,000
=========
=========
=========
=========

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,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(5,302)	$ 827
Adjustments to reconcile net income (loss) to net cash provided by (used) in operating activities:		
Depreciation	7,799	8,397
Provision (benefit) for doubtful accounts, net of charge offs	(1,881)	18
Deferred income taxes	--	1,338
Changes in:		
Trade accounts receivable	1,920	(130)
Accounts payable, accrued expenses and other current liabilities .	(6,614)	(8,905)
Other, net	(49)	(24)
Net cash provided by (used in) operating activities	(4,127)	1,521
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of seismic equipment held for lease	(3,852)	(8,962)

Purchases of property and equipment	(141)	(37)
Sale of marketable securities, net	--	7,085
Disposal of lease pool equipment	3,399	4,495
Net cash provided by (used in) investing activities	(594)	2,581
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	2,000	1,200
Payments on short-term borrowings	(847)	(852)
Proceeds from issuance of common stock upon exercise of warrants and options	--	214
Purchases of common stock for treasury	--	(633)
Net cash provided by (used in) financing activities	1,153	(71)
NET CHANGE IN CASH	(3,568)	4,031
CASH, BEGINNING OF PERIOD	8,244	4,317
CASH, END OF PERIOD	$ 4,676	$ 8,348

See accompanying notes for non-cash investing and financing activities.

The accompanying notes are an integral part of these 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, 2002. 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, 2002; the results of operations for the three and six months ended July 31, 2002 and 2001; and cash flows for the six months ended July 31, 2002 and 2001, 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, 2003.

2. COMMITMENTS AND CONTINGENCIES

Legal Proceedings
On or about April 23, 1998, several purported securities fraud class action lawsuits were filed against the Company, Billy F. Mitcham, Jr. and Roberto Rios ("Defendants") in the U.S. District Court for the Southern District of Texas, Houston Division. On August 10, 2001, facing protracted and expensive litigation, Defendants executed a final settlement agreement with Plaintiffs for $2.7 million, paid by the Company and its insurance carrier. On December 10, 2001, the Court approved the settlement agreement, certified the class for settlement purposes only, and entered a Final Judgment and Order dismissing all the class action lawsuits with prejudice.

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. INCOME TAXES

During the quarter ended April 30, 2002, the Company recorded tax expense in the amount of $288,000. The current expense reflects an excess refund from the Internal Revenue Service which the Company received in prior fiscal years, versus an estimated tax liability related to the current quarter's operations. This estimate of taxes differs from an expected statutory rate because the Company was in a tax loss position and increased its valuation allowance on its deferred tax assets.

4. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosures of cash flow information for the six months ended July 31, 2001 and 2002 are as follows:

	SIX MONTHS ENDED JULY 31,	
	2001	2002
Interest paid	$ 294,000	$ 211,000
Taxes paid (refunded), net	(942,000)	288,000
Seismic		

equipment
acquired
as
recovery
of
previously
written
off
receivables
-
1,902,000

5. RECLASSIFICATIONS

Certain 2001 amounts have been reclassified to conform to 2002 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. Over the last twelve months, the seismic industry has begun to recover from the depressed levels of activity in prior years.

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, 2002 were for a term of one year or less. Seismic equipment held for lease is carried at cost, net of accumulated depreciation. Through its wholly-owned subsidiary, Drilling Services, Inc. ("DSI"), the Company provides front-end services to seismic data acquisition contractors. Such services typically include seismic survey program design, quality control, permit acquisition, geographical surveying and shot hole drilling.

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.

RESULTS OF OPERATIONS

For the three months ended July 31, 2002 and 2001

For the quarter ended July 31, 2002, total revenues decreased approximately $6.0 million to $2.0 million from $8.1 million in the corresponding period of the prior year. This decrease in revenues is attributable to a weakening demand for equipment rentals in South America and the U.S. during the quarter, partially offset by the inclusion of operations of the Company's new subsidiary, DSI, which was formed in January 2002. The Company's core equipment leasing revenues decreased approximately $4.9 million from the prior year, but was partially offset by $1.0 million in front-end services revenues generated by DSI during the quarter.

For the quarter ended July 31, 2002, the Company recorded $399,000 in equipment sales, generating a gross margin of 45%. In the prior year's comparable quarter, the Company recorded $2.5 million in equipment sales that generated a gross margin of 46%. 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 $323,000 from the corresponding prior year period primarily due to the inclusion of the results of DSI in the current quarter. The increase in expenses is primarily due to an increase in professional fees, insurance, customer relations, rent and utilities, and compensation expenses.

Depreciation expense for the quarter ended July 31, 2002 decreased by $473,000, or 11%, to $3.9 million from $4.4 million for the same period last year. The decrease is primarily the result of some older equipment becoming fully depreciated during the last fiscal year coupled with the Company's decrease in capital additions to the seismic equipment lease pool during the past year. The Company's seismic equipment lease pool decreased $3.2 million, on a cost basis, to $87.2 million at July 31, 2002, from $90.4 million at January 31, 2002.

During the quarter ended July 31, 2002, the Company recorded a non-cash net benefit for doubtful accounts in the amount of $1.7 million. This amount represents recoveries of receivables written off in the prior fiscal year in the form of seismic equipment that the Company accepted as a settlement related to a former customer which ceased operations last year. The equipment was valued based on a fair value appraisal of the equipment received. No such recovery was recorded in the comparable quarter of the prior year.

The Company recorded a net loss for the quarter ended July 31, 2002 in the amount of $3.2 million compared to net income of $333,000 for the same period of the previous year.

For the six months ended July 31, 2002 and 2001

For the six months ended July 31, 2002, total revenues decreased by $5.7 million to $9.4 million from $15.1 million in the corresponding period of the prior year. The Company's core equipment leasing revenues decreased $7.7 million during the current fiscal year as compared to the comparable period in the prior year. Fiscal 2003 revenues through July 31, 2002 reflect a significant decrease in leasing revenues ($7.7 million), partially offset by a slight increase in equipment sales revenues and the inclusion of operations of the Company's new subsidiary, DSI, which was formed in late January 2002. Front-end services revenues recorded during the six months ended July 31, 2002 amounted to $1.4 million. The decrease in leasing revenues is attributable to a weakening demand for equipment rentals in South America and the U.S. during the current period versus the comparable period of the prior year.

During the six months ended July 31, 2002, equipment sales totaled $4.0 million and generated a gross margin of 14% as compared to sales of $3.3 million and a gross margin of 43% for the same period in 2001. Sales made during the current period consisted mainly of newer equipment, yielding low gross margins. 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 $635,000 from the corresponding prior year period mainly due to the inclusion of the results of DSI in the current period. The increase in expenses is primarily due to an increase in insurance, compensation expenses, franchise taxes, professional fees and rent and utilities, partially offset by a decrease in advertising expenses.

Depreciation expense for the six months ended July 31, 2002 decreased by $.6 million, or 7%, to $7.8 million from $8.4 million for the same period last year. The decrease is primarily the result of some older equipment becoming fully depreciated during the last fiscal year coupled with the Company's decrease in capital additions to the seismic equipment lease pool during the past year. The Company's seismic equipment lease pool decreased $3.2 million, on a cost basis, to $87.2 million at July 31, 2002, from $90.4 million at January 31, 2002.

During the six months ended July 31, 2002, the Company recorded a non-cash net benefit for doubtful accounts in the amount of $1.7 million. This amount represents recoveries of receivables written off in the prior fiscal year in the form of seismic equipment that the Company accepted as a settlement related to a former customer which ceased operations last year. The equipment was valued based on a fair value appraisal of the equipment received. During the six months ended July 31, 2001, the Company recorded a $75,000 provision for doubtful accounts.

The Company recorded a net loss for the six months ended July 31, 2002 in the amount of $5.3 million, compared to net income of $.8 million for the same period of the previous year.

LIQUIDITY AND CAPITAL RESOURCES

As of July 31, 2002, the Company had net working capital of approximately $2.4 million as compared to net working capital of $.8 million at January 31, 2002. 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 used in operating activities for the six months ended July 31, 2002 was $4.1 million, as compared to net cash provided by operating activities of $1.5 million for the six months ended July 31, 2001.

At July 31, 2002, the Company had trade accounts receivable of $1.1 million that were more than 90 days past due. At July 31, 2002, the Company's allowance for doubtful accounts was approximately $1.3 million, which management believes is sufficient to cover any losses in its trade accounts receivable and notes receivable.

On November 10, 2000, the Company closed an $8.5 million term loan with First Victoria National Bank. The loan amortized over 48 months at an interest rate of prime plus 1/2%, adjusted daily. The first three monthly payments were interest only, with the remaining 45 monthly payments being interest and principal in the approximate amount of $229,000. In February 2002, the Company renegotiated its term loan, the remaining outstanding principal balance of which was then $6.5 million, and borrowed an additional $2.0 million. Beginning in March 2002, the 48 monthly payments of principal and interest are approximately $197,000. The loan is collateralized by the lease pool equipment purchased for the Company's fiscal 2001 winter capital expenditure program. Additionally, during fiscal 2002 the Company borrowed $75,000 under a separate loan agreement in connection with its acquisition of assets related to the formation of DSI. This term loan is payable in four quarterly installments of principal and interest totaling approximately $19,000, beginning in March 2002 and ending in December 2002; the interest rate is prime minus 1%.

Capital expenditures for the six months ended July 31, 2002 totaled approximately $4.0 million compared to capital expenditures of $9.0 million for the corresponding period in the prior year. At the present time, 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. However, should demand warrant, the Company may pursue additional borrowings to fund capital expenditures.

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.

RECOVERY OF DEMAND FOR LAND BASED SEISMIC DATA NOT ASSURED

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. 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 since that time. 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 WOULD 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 years ended January 31, 2000, 2001 and 2002, the single largest customer accounted for approximately 17%, 21% and 22%, respectively, 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 would adversely affect the Company's results of operations.

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

The Company has approximately $3.9 million of customer accounts and notes receivable at July 31, 2002, of which $1.1 million is over ninety days past due. At July 31, 2002, the Company has an allowance of $1.3 million 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.

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 (including Canada) accounted for approximately 80% of the Company's revenues in the fiscal year ended January 31, 2002, and 32% of internationally-sourced 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.

THE COMPANY MUST CONTINUALLY OBTAIN 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 leases or extensions beyond the initial lease 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 had 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.

THE COMPANY'S SEISMIC LEASE POOL IS SUBJECT TO 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. Significant improvements in technology may also require the Company to recognize an asset impairment charge to its lease pool investment, and to correspondingly invest significant sums to upgrade or replace its existing lease pool with newer-technology equipment demanded by its customers.

WEATHER CONDITIONS CAUSE 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. Accordingly, period-to-period comparisons are not necessarily meaningful and should not be relied on as indicative of future results.

DISRUPTION IN SUPPLIER RELATIONSHIPS COULD ADVERSELY AFFECT THE COMPANY

The Company has and continues to rely on purchase agreements with Sercel. 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 purported securities fraud class action lawsuits were filed against the Company, Billy F. Mitcham, Jr. and Roberto Rios ("Defendants") in the U.S. District Court for the Southern District of Texas, Houston Division. On August 10, 2001, facing protracted and expensive litigation, Defendants executed a final settlement agreement with Plaintiffs for $2.7 million, paid by the Company and its insurance carrier. On December 10, 2001, the Court approved the settlement agreement, certified the class for settlement purposes only, and entered a Final Judgment and Order dismissing all the class action lawsuits with prejudice.

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

(a) The Company held its Annual Meeting of Shareholders on July 18, 2002. Shareholders of record at the close of business on May 30, 2002 were entitled to vote.

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

NAME OF NOMINEE	FOR	WITHHELD
Billy F. Mitcham, Jr.	8,213,724	166,306
R. Dean Lewis	8,341,414	38,616
John F. Schwalbe	8,342,264	37,766
William J. Sheppard	8,206,024	174,006
P. Blake Dupuis	8,207,524	172,506
Peter H. Blum	8,346,689	33,341

(c) The Shareholders ratified the appointment of Hein + Associates LLP as the Company's independent auditors:

FOR	AGAINST	ABSTAINING
8,345,778	24,177	10,075

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

The following documents are filed as exhibits to this Report:

99.1 - Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

99.2 - Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

(b) REPORTS ON FORM 8-K

None.

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, 2002

/s/ CHRISTOPHER C. SIFFERT

CHRISTOPHER C. SIFFERT,
CORPORATE CONTROLLER
(AUTHORIZED OFFICER AND PRINCIPAL
ACCOUNTING OFFICER)

CERTIFICATIONS

I, Billy F. Mitcham, Jr., certify that:

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

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

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

Date: September 14, 2002

/s/ Billy F. Mitcham, Jr.
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Billy F. Mitcham, Jr.
Chief Executive Officer

I, P. Blake Dupuis, certify that:

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

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

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

Date: September 14, 2002

/s/ P. Blake Dupuis
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P. Blake Dupuis
Chief Financial Officer

EXHIBITS INDEX

EXHIBIT NO.	IDENTIFICATION OF EXHIBIT
99.1	- Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, U.S.C. Section 1350
99.2	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, U.S.C. Section 1350

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mitcham Industries, Inc. (the "Company") on Form 10-Q for the period ending July 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Billy F. Mitcham, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Billy F. Mitcham, Jr.
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Billy F. Mitcham, Jr.
Chief Executive Officer
September 14, 2002

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mitcham Industies, Inc. (the "Company") on Form 10-Q for the period ending July 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, P. Blake Dupuis, Executive Vice President - Finance of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ P. Blake Dupuis
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P. Blake Dupuis
Executive Vice President - Finance
September 14, 2002