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

FORM 10-QSB

(Mark One)

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

FOR THE PERIOD ENDED APRIL 30, 1997

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

COMMISSION FILE NUMBER 1-13490

MITCHAM INDUSTRIES, INC.
(Name of small business issuer 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)

(409) 291-2277
(Issuer's telephone number)

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 7,358,260 shares of Common Stock, $.01 par value, were outstanding as of May 31, 1997.

Transitional Small Business Disclosure Format (check one): Yes No X

MITCHAM INDUSTRIES, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED FINANCIAL STATEMENTS

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

ASSETS	April 30, 1997 (Unaudited)	January 31, 1997 (Audited)
CURRENT ASSETS:		
Cash	$ 12,760	$ 301
Accounts receivable, net	6,044	3,598
Installment notes receivable, trade	738	1,141
Inventory	436	473
Prepaid expenses and other current assets	97	100
Total current assets	20,075	5,613
Seismic equipment lease pool, net	18,240	17,963
Property plant and equipment, net	723	619
Other assets	57	98
Total assets	$ 39,095	$ 24,293
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable to bank	--	999
Current installments of long-term debt	--	938
Accounts payable	631	1,941
Income taxes payable	836	267
Deferred income taxes payable	1,170	902
Accrued liabilities and other current liabilities	733	685
Total current liabilities	3,370	5,732
LONG-TERM DEBT, NET OF CURRENT INSTALLMENTS	48	2,674
DEFERRED INCOME TAXES	645	645
Total liabilities	4,063	9,051
STOCKHOLDERS' EQUITY:		
Preferred stock, $1.00 par value; 1,000,000 shares authorized none issued and outstanding	--	--
Common stock, $.01 par value; 20,000,000 shares authorized 7,358,260 and 4,474,880 shares, respectively, issued and outstanding	74	45
Additional paid-in capital	26,860	8,819
Retained earnings	8,098	6,378
Total stockholders' equity	35,032	15,242
Total liabilities and stockholders' equity	$ 39,095	$ 24,293

See accompanying notes.

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

	Three months ended April 30, 1997	Three months ended April 30, 1996
REVENUES:		
Leases of seismic equipment	$ 4,116	$ 1,804
Sales of seismic equipment	1,420	466
Total revenues	5,536	2,270
COSTS AND EXPENSES:		
Seismic equipment subleases	42	47
Sales of seismic equipment	981	373
General and administrative	586	362
Provision for bad debt	289	140
Depreciation	1,219	530
Total costs and expenses	3,117	1,452
OTHER INCOME (EXPENSE):		
Interest, net	155	(48)
Other, net	46	19
Total other income (expenses)	201	(29)
INCOME BEFORE INCOME TAXES	2,620	789
PROVISION FOR INCOME TAXES	897	284
NET INCOME	$ 1,723	$ 505
Primary earnings per common and common equivalent share	$ 0.28	$ 0.13
Primary shares used in computing earnings per average common and common equivalent share outstanding	6,239,000	4,024,000

See accompanying notes.

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

	Three months ended April 30, 1997	Three months ended April 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,723	$ 505
Adjustments to reconcile net income to net cash flows from operating activities:		
Receivables, net	(2,043)	(702)
Accounts payable and other current liabilities	(1,170)	139
Depreciation	1,161	530
Deferred income taxes	268	--
Other, net	51	201
Net cash provided by operating activities	(10)	673
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of seismic equipment held for lease	(1,693)	(1,145)
Proceeds from sale of lease pool equipment	778	--
Purchases of property and equipment	(161)	(23)
Net cash used in investing activities	(1,076)	(1,168)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on short-term borrowings	(1,937)	(400)
Proceeds from long-term debt	--	3,126
Payments on long-term debt and capitalized lease obligations	(2,626)	(377)
Proceeds from issuance of common stock, net of offering expenses	18,108	1,421
Net cash provided by financing activities	13,545	3,770
NET INCREASE IN CASH	12,459	3,275
CASH, BEGINNING OF PERIOD	301	637
CASH, END OF PERIOD	$ 12,760	$ 3,912
SUPPLEMENTAL CASH FLOW INFORMATION Cash paid for:		
Interest	$ 17	$ 17
Taxes	--	$ 35
Equipment purchases in accounts payable	$ 429	$ 267

See accompanying notes.

MITCHAM INDUSTRIES, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

1. The condensed 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 the 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 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-KSB for the year ended January 31, 1997. In the opinion of the Company, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position as of April 30, 1997 and 1996, and the results of operations and cash flows for the three months then ended have been included.

2. As discussed in the Company's Annual Report on Form 10-KSB for the fiscal year ended January 31, 1997, during March 1997 the Company completed the successful public offering of a total of 3,450,000 shares of its common stock, par value $0.01 (the "Common Stock"), of which 2,785,000 shares were sold by the Company and 575,000 shares were sold by the selling shareholders. The net proceeds to the Company from the Offering (after deducting underwriting discounts and commissions and estimated expenses of the Offering) were approximately $18.2 million. Of the net proceeds, the Company used $4.3 million to pay outstanding debt owed to the Company's commercial lenders and $1.0 million will be used for expenses related to the opening of the Company's Calgary, Alberta, Canada office. The Company plans to use the reminder of the net proceeds to purchase primarily additional 3-D seismic data acquisition equipment, improve computer inventory and tracking systems and for general corporate purposes.

3. The foregoing interim results are not necessarily indicative of the results of the operations for the full fiscal year ending January 31, 1998.

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

OVERVIEW

The Company leases and sells seismic data acquisition equipment to companies engaged in the oil and gas industry. The Company provides short-term leasing of peripheral seismic equipment to meet a customer's requirements, as well as offering maintenance and support during the lease term. The Company leases its seismic equipment primarily to seismic data acquisition companies and major oil and gas exploration companies conducting land-based seismic surveys in North and South America. The Company also sells and services new and used seismic data acquisition systems and peripheral equipment to companies engaged in oil and gas exploration.

All leases at April 30, 1997 were for a term of one year or less. Seismic equipment held for lease consists primarily of 3-D channel boxes, and is carried at cost, net of accumulated depreciation.

During the three months ended April 30, 1997 and 1996, revenues from foreign customers totaled $3,550,000 and $1,209,000, respectively. All of the Company's transactions with foreign customers are denominated in United States dollars. Therefore, the Company is not subject to material gains or losses resulting from currency fluctuations and has not engaged in hedging activities.

SEASONALITY

There is some seasonality to the Company's expected lease revenues from customers operating in Canada. Historically, seismic equipment leasing has been somewhat susceptible to weather patterns in certain geographic regions. For example, in Canada, a significant percentage of seismic 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 muddy terrain. This increased leasing activity by the Company's customers has historically resulted in increased lease revenues in the Company's first and fourth quarters.

RESULTS OF OPERATIONS

For the three months Ended April 30, 1997 and April 30, 1996

Revenues of $5,536,000 for the three months ended April 30, 1997 represented an increase of 143.9% over revenues of $2,270,000 for the same prior year period. Leasing services generated revenues of $4,116,000 for the three months ended April 30, 1997, an increase of $2,312,000, or 128.2%, as compared to $1,804,000 for the same prior year period. This increase reflected additions of lease fleet equipment throughout fiscal 1997 to meet lease demand. In the three months ended April 30, 1997, the Company maintained a utilization rate on its 3-D channel boxes of approximately 90%, as compared to its historical utilization of approximately 80%, due to increased demand. Seismic equipment sales for the three months ended April 30, 1997 were $1,420,000, an increase of $954,000, or 204.7%, as compared to $466,000 for the same prior year period. The increase in sales was due primarily to the exercise of a lease purchase option in the three months ended April 30, 1997 totaling $910,000. While the Company seeks to increase its equipment sales revenue when opportunities to do so arise, management is continuing to pursue a growth strategy in its seismic equipment leasing business and does not necessarily anticipate that equipment sales revenues will continue to increase significantly either in dollar amount or as a percentage of total sales.

While the Company's leasing revenues increased by $2,132,000 during the three months ended April 30, 1997 as compared to the same prior year period, sublease costs decreased by $5,000 and depreciation, which related primarily to equipment available for lease, increased by $689,000 due to an increase in the lease fleet, resulting in an increase in net leasing revenues of $1,448,000.

Gross margins on seismic equipment sales were 30.9% and 20.0% for the three months ended April 30, 1997 and 1996, respectively. Margins on sales of used equipment vary based upon the size of the transaction, the availability of the product sold and the means by which the equipment was acquired. Higher dollar transactions tend to yield lower margins than do lower dollar transactions, while readily available equipment yields lower margins than equipment that is difficult to locate. In addition, the Company's costs on a specific piece of equipment may differ substantially based upon whether it was acquired through a bulk purchase or a discrete search.

General and administrative expenses increased 61.9% or $224,000 in the three months ended April 30, 1997 as compared to the same prior year period and were 10.6% and 15.9% of total revenues for the three months ended April 30, 1997 and 1996, respectively. Although general and administrative expenses increased, due in part to the legal and accounting expense associated with the offering, general and administrative expenses decreased as a percent of total revenues due to overhead expenses remaining relatively constant as revenues increased.

The Company's provision for doubtful accounts expense increased from $140,000 in the fiscal 1996 period to $289,000 in the fiscal 1997 period. The increase was a result of additional provisions for the allowance account in connection with the bankruptcy filing of one of the Company's customers, Grant Geophysical, Inc. ("Grant"). As of April 30, 1997, the Company's allowance for doubtful accounts receivable amounted to $1,700,000, which is an amount management believes is sufficient to cover any potential losses in trade accounts receivable as of that date.

Net income for the three months ended April 30, 1997 increased by $1,218,000, as compared to the same prior year period. The increase resulted primarily from the increase in net leasing and sales revenues offset by increases in general and administrative expenses and the provision for bad debt expense.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities for fiscal 1997, decreased by $683,000, or 30.8%, as compared to fiscal 1996. At April 30, 1997, of the Company's customers with trade receivables more than 90 days past due, four customers had an aggregate of $2,096,000 more than 90 days past due. As of April 30, 1997, amounts due from Grant totaled $1,513,000. The Company's allowance for trade accounts receivable balance at April 30, 1997 is $1,700,000, which management believes is adequate to cover any potential loss associated with Grant and the Company's remaining trade accounts receivable.

During March 1997, the Company completed the successful public offering (the "Offering") of a total of 3,450,000 shares of its common stock, par value $0.01 (the "Common Stock"), of which 2,875,000 shares were sold by the Company and 575,000 shares were sold by the selling shareholders. The net proceeds to the Company from the Offering (after deducting underwriting discounts and commissions and estimated expenses of the Offering) were approximately $18.2 million. Approximately (i) $10.0 million of the net proceeds will be used to purchase additional 3-D seismic data acquisition equipment, including the $2.4 million remaining purchase requirement under the I/O Agreement through May 31, 1998, (ii) $4.3 million was used to pay outstanding debt to commercial lenders, (iii) $1.0 million will be used for expenses related to the opening of the Company's Calgary, Alberta, Canada office, and (iv) $250,000 will be used to improve computer and inventory tracking systems. The remainder of the proceeds will be used for other general corporate purposes.

Of the $4.3 million that was to be used to pay debt to commercial lenders, approximately $1.0 million was used to pay the Company's revolving line of credit (the "Working Capital Revolver") with Bank One, Texas, N.A. ("Bank One") and $3.3 million was used to pay its loan (the "Term Loan") with Banc One Leasing Corporation ("Banc One Leasing").

In January 1997, the Company established a second revolving line of credit with Bank One of up to $4.0 million (the "Equipment Revolver") to be used solely for short-term financing of up to 75% of the seismic equipment purchased by the Company for approved lease/purchase contracts, and a second term loan of $1.0 million (the "Second Term Loan") to be used solely for long-term financing of up to 80% of the purchase price of other seismic equipment. Interest on the Equipment Revolver and the Second Term Loan accrues at a floating rate of interest equal to the Base Rate plus 0.5%. Interest on amounts advanced under the Equipment Revolver is payable monthly, and the principal amount is due six months after the date of the initial advance; provided, however, that if the lessee under a lease/purchase contract does not purchase the seismic equipment subject to the lease, and there has been no default (as defined) under the lease, then the Company may extend the maturity date for an additional 18 months (the "Extended Term"). In such event, the principal amount of any interest on the amount advanced under the Equipment Revolver would be payable in ratable monthly installments over the Extended Term. Interest on and the principal amount of the Second Term Loan is payable in ratable monthly installments over a two-year period through and including December 1998.

As of January 31, 1997, capital expenditures for the three months ended April 30, 1997 totaled approximately $2.1 million and the Company has budgeted capital expenditures of approximately $16.0 million for the 1998 fiscal year, including approximately $10.0 million of 3-D seismic data acquisition equipment to be purchased with the net proceeds of the offering. The Company believes that the net proceeds of the Offering, cash provided by operations, and funds available from its commercial lenders will be sufficient to fund its operations and budgeted capital expenditures for the 1998 fiscal year.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits
Exhibit 11: Computation of Earnings Per Common and Common Equivalent Share for the three months ended April 30, 1997 and 1996.

(b) Reports on Form 8-K
No reports on Form 8-K were filed during the quarter ended April 30, 1997.

SIGNATURES

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

Date: June 10, 1997

MITCHAM INDUSTRIES, INC.

ROBERTO RIOS,
VICE-PRESIDENT - FINANCE, SECRETARY AND TREASURER (AUTHORIZED OFFICER AND PRINCIPAL ACCOUNTING OFFICER)

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTIONS
11	Computation of Earnings Per Common and Common Equivalent Share for the three months ended April 30, 1997 and 1996.
27	Financial Data Schedule.

EXHIBIT 11

MITCHAM INDUSTRIES, INC.
Computation of Earnings per Common
and Common Equivalent Share
(Unaudited)

	Three months ended April 30, 1997	Three months ended April 30, 1996
COMPUTATION OF PRIMARY EARNINGS PER COMMON SHARE:		
Net income	$1,723,000	$ 505,000
Weighted average number of common shares outstanding	6,060,303	3,435,006
Net effect of dilutive stock options and warrants, based on the treasury stock method, using average market price	178,245	589,023
Common shares outstanding	6,238,548	4,024,029
Earnings per common share	$ 0.28	$ 0.13
COMPUTATION OF EARNING PER COMMON SHARE ASSUMING FULL DILUTION:		
Net income	$1,723,000	$ 505,000
Weighted average number of common shares outstanding	6,060,303	3,435,006
Net effect of dilutive stock options and warrants based on the treasury stock method, using the end-of-period market price	178,245	723,757
Common shares outstanding assuming full dilution	6,238,548	4,158,763
Earnings per common share assuming full dilution	$ 0.28	$ 0.12

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THE FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FORM THE COMPANY'S FOR 10-QSB FOR THE PERIOD ENDED APRIL 30,1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
JAN-31-1998
JAN-31-1997
APR-30-1997
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