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Mitcham Announces Change in Royal Australian Navy Contract

HUNTSVILLE, Texas--(BUSINESS WIRE)--May 10, 2005--Mitcham Industries, Inc. (Nasdaq:MIND - News) today announced that its wholly-owned subsidiary, Seismic Asia Pacific Pty Ltd. (SAP), has been notified by the Australian Department of Defence that the Commonwealth of Australia (Commonwealth) has terminated the bid tender process relating to the upgrade of the Royal Australian Navy's hydrographic survey system. The Commonwealth had earlier announced that SAP had been selected as the preferred tenderer for this project. The Commonwealth has stated that the bid tender process was not terminated due to any action by SAP and expects to advise its way forward on this project in due course. Should the Commonwealth submit a new request for tender, SAP expects to be well positioned to respond quickly. However, at this time SAP cannot determine whether if it submitted a new bid, that new bid would be successful.

Mitcham Industries, Inc., a geophysical equipment supplier, offers for lease or sale, new and "experienced" seismic equipment to the oil and gas industry, seismic contractors, environmental agencies, government agencies and universities. Headquartered in Texas, with sales and services offices in Calgary, Canada, Brisbane, Australia and associates throughout Europe, South America and Asia, Mitcham conducts operations on a global scale and is the largest independent exploration equipment lessor in the industry.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included herein, including statements regarding potential future demand for the Company's products and services, the Company's future financial position and results of operations, business strategy and other plans and objectives for future operations, are forward-looking statements. Actual results may differ materially from such forward-looking statements. Important factors that could cause or contribute to such differences include a prolonged and gradual recovery, or no full recovery, of the energy services sector of a depressed oil and gas industry, and thereafter, the inherent volatility of oil and gas prices and the related volatility of demand for the Company's services; loss of significant customers; significant defaults by customers on amounts due to the Company; international economic and political instability; dependence upon additional lease contracts; the risk of technological obsolescence of the Company's lease fleet; vulnerability of seismic activity and demand to weather conditions and seasonality of operating results; dependence upon few suppliers; and other factors which are disclosed in the Company's Securities and Exchange Commission filings, available from the Company without charge.