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Mitcham Industries' Subsidiary, Seismic Asia Pacific Pty Ltd., Chosen as Preferred Tenderer by Royal Australian Navy

HUNTSVILLE, Texas--(BUSINESS WIRE)--Dec. 15, 2004--Mitcham Industries, Inc. (Nasdaq:MIND - News) today announced that its wholly-owned subsidiary, Seismic Asia Pacific Pty Ltd. (SAP), has been chosen by the Australian Department of Defence as the preferred tenderer to upgrade the Royal Australian Navy's hydrographic survey system. SAP has been invited to enter into formal negotiations to finalize contract details. Upon successful completion of contract negotiations, the contract is expected to have a value of more than AU\$ 40 million.

The upgrade, which would begin late in 2005 with the remaining systems to be installed and tested during 2006, will be carried out on the Navy's four PALUMA class Survey Motor Launches as part of a program called Project SEA 1401 Phase 3. The upgrade will increase the Navy's survey capability and reduce the time required to complete surveys of Australia's coastal waters. It will also improve the Navy's shallow water surveying capability and is included in Australia's Defence Capability Plan.

"We are extremely pleased to have been invited to enter into formal contract negotiations," said Billy F. Mitcham, Jr., Mitcham Industries' President and CEO. "If we successfully complete these negotiations, this will not only be the largest single contract in SAP's history, but also in Mitcham Industries' operations as well."

Based in Brisbane, Australia, SAP provides equipment, consumables, systems integration, engineering hardware and software maintenance support services to defence industries throughout the Australasian region as well as geophysical, hydrographic and oceanographic environment industries.

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 Industries 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.

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