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

FORM 10-QSB/A

(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, 1998

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

COMMISSION FILE NUMBER 001-13490

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 past 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 for each of the issuer's classes of common equity, as of the latest practicable date: 9,510,658 shares of Common Stock, $.01 par value, were outstanding as of June 10, 1998.

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

MITCHAM INDUSTRIES, INC.
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PART II. OTHER INFORMATION

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

MITCHAM INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

ASSETS	April 30, 1998 (Unaudited)	January 31, 1998 (Audited)
CURRENT ASSETS:		
Cash	$1,704	$7,498
Marketable securities, at market	19,855	25,009
Accounts receivable, net	19,169	14,070
Installment trade receivables	331	444
Inventory	1,074	942
Prepaid expenses and other current assets	196	248
Income tax receivable	227	211
Deferred income taxes	321	-
Total current assets	42,877	48,422
Seismic equipment lease pool, net	37,749	42,236
Property and equipment, net	870	898
Other assets	-	6
Total assets	$81,496	$91,562
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	1,364	8,400
Deferred income taxes payable	-	45
Deferred revenue	1,321	1,055
Income taxes payable	-	-
Accrued liabilities and other current liabilities	251	5,532
Total current liabilities	2,936	15,032
DEFERRED INCOME TAXES	2,700	2,294
Total liabilities	5,636	17,326
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 9,454,824 and 9,425,759 shares, respectively, issued and outstanding	95	94
Additional paid-in capital	61,314	61,275
Retained earnings	14,451	12,770
Cumulative translation adjustment	-	97
Total stockholders' equity	75,860	74,236
Total liabilities and stockholders' equity	$81,496	$91,562

See accompanying notes

MITCHAM INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share data)

	Three Months ended April 30, 1998	1997
REVENUES:		
Short-term leasing	$5,890	$4,043
Lease/purchase activities:		
Leasing revenues	1,200	363
Sales of equipment	7,336	765
Sales of seismic equipment	1,026	365
Sales commissions	1	-
Total revenues	15,453	5,536
COSTS AND EXPENSES:		
Seismic equipment subleases	271	42
Cost of Sales:		
Sales of seismic equipment under lease/purchase Agreements	7,343	598
Other sales of seismic equipment	570	339
Repairs, net	155	-
General and administrative	1,309	586
Provision for doubtful accounts	608	289
Depreciation	2,712	1,219
Total costs and expenses	12,968	3,073
OPERATING INCOME	2,485	2,463
OTHER INCOME (EXPENSE):		
Interest, net	63	155
Other, net	38	2
Total other income (expenses)	101	157
INCOME BEFORE INCOME TAXES	2,586	2,620
PROVISION FOR INCOME TAXES	906	897
NET INCOME	$ 1,680	$ 1,723
Earnings per common and share		
Basic	$ .18	$ .28
Diluted	$ .17	$ .28
Shares used in computing earnings per common share		
Basic	9,437,000	6,060,000
Diluted	9,757,000	6,239,000

See accompanying notes.

MITCHAM INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months ended April 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$1,680	$1,723
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation	2,712	961
Provision for doubtful accounts, net of charge offs	441	200
Deferred income taxes	361	268
Trade accounts receivable	(5,427)	(2,043)
Accounts payable and other current liabilities	(7,888)	(1,170)
Other, net	(360)	51
Net cash provided by (used in) operating activities	(8,529)	(10)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of seismic equipment held for lease	(4,415)	(1,693)
Purchases of property and equipment	(88)	(161)
Disposal of lease pool equipment	7,043	778
Net cash used in investing activities	2,540	(1,076)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on short-term borrowings	-	(1,937)
Payments on long-term debt and capitalized lease obligations	-	(2,626)
Proceeds from issuance of common stock, net of offering expenses	-	18,108
Proceeds from issuance of common stock upon exercise of Warrants and options	40	-
Proceeds from sale of marketable securities	155	-
Net cash provided by financing activities	195	13,545
NET INCREASE IN CASH	(5,794)	12,459
CASH, BEGINNING OF PERIOD	7,498	301
CASH, END OF PERIOD	$ 1,704	$12,760
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ -	$ 17
Taxes	$ 801	-
Equipment purchases in accounts payable	$ 757	$ 429

See accompanying notes.

MITCHAM INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The 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 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, 1998. 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, 1998, and the results of operations and cash flows for the three months ended April 30, 1998 and 1997 have been included.

2. On April 23, 1998, a class action lawsuit was filed against the Company and its chief executive officer and chief financial officer in the U.S. District Court for the Southern District of Texas, Houston Division. The complaint, styled STANLEY MOSKOWITZ V. MITCHAM INDUSTRIES, INC., BILLY F. MITCHAM, JR. AND ROBERTO RIOS, alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Sections 11 and 12(a)(2) of the Securities Act of 1933. The complaint 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 complaint alleges materially false and misleading misrepresentations and omissions in public filings and announcements concerning the Company's business and its allowance for doubtful accounts. The Company believes that the plaintiffs' allegations are without merit and that there are meritorious defenses to the allegations, and intends to defend the action vigorously.

3. Effective May 29, 1998, the Company, agreed in principle to the terms of a new Preferred Supplier Agreement with Input/Output, Inc. ("I/O"). The definitive agreement is expected to be signed no later than June 30, 1998, and will replace the parties' Exclusive Lease Referral Agreement.

   The terms provide that the Company will purchase a minimum of between $90 and $100 million of I/O products over a five year term. In addition I/O will refer rental inquiries from customers worldwide to the Company during the term of the agreement.

   In a related transaction, I/O sold to the Company, for $15 million a substantial portion of its subsidiary's equipment lease pool, some of which is subject to existing short-term lease agreements. The Company has until June 30, 1998 to purchase the remaining portion of I/O's subsidiary's equipment lease pool, including the assignment of existing short-term lease agreements. I/O has agreed in principle not to lease products covered by the Preferred Supplier Agreement except in limited circumstances.

4. The foregoing interim results are not necessarily indicative of the results of the operations for the full fiscal year ending January 31, 1999.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Quarterly Report on Form 10-QSB (including statements contained in Part I, Item 2. "Management's Discussion and Analysis or Plan of Operation" 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; contingent liabilities; Year 2000 issues; and future demand and 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 those results which might be anticipated, forecast or estimated by the Company in such forward-looking statements due to risks and uncertainties such as volatility of the oil and gas industry and demand for services; dependence upon additional lease contracts; customer concentration and credit losses; industry consolation; the risk of technical obsolescence of the Company's seismic lease fleet; vulnerability to weather conditions and seasonality of results; dependence upon key suppliers, and other factors (as further described in the Company's Annual Report on Form 10-KSB) and other risks and uncertainties set forth from time to time in the Company's other public reports and public statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

OVERVIEW

The Company leases and sells seismic 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. All leases at April 30, 1998 were for a term of one year or less. Seismic equipment held for lease is carried at cost, net of accumulated depreciation.

For the years ended January 31, 1997 and 1998, revenues from foreign customers totaled $6.8 million and $17.1 million, respectively. While most of the Company's transactions with foreign customers are denominated in United States dollars, some of the Company's transactions with Canadian customers are denominated in Canadian dollars. The Company has not been subject to material gains or losses resulting from currency fluctuations and has not engaged in currency hedging activities.

SEASONALITY

Historically, seismic equipment leasing has been susceptible to weather patterns in certain geographic regions. There is some seasonality to the Company's lease revenues from customers operating in Canada, where a significant percentage of the 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 heavy 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 MONTH PERIOD ENDED APRIL 30, 1998 AND 1997

Revenues for the three month period ended April 30, 1998 of $15.5 million represented an increase of $9.9 million, or 179%, over the same prior year period revenues of $5.5 million. Short-term leasing services generated revenues of $5.9 million for the three month period ended April 30, 1998, an increase of $1.8 million, or 46%, as compared to $4.0 million for the same prior year period. This increase reflected additions to the equipment lease pool to meet lease demand. Seismic equipment sales for the three month period ended April 30, 1998 were $1.0 million, an increase of $661,000 or 181%, as compared to $365,000 for the same prior year period. The increase in sales was due primarily to customer purchases of lease pool equipment at the end of the lease contract that were not entered into originally as a lease/purchase contract. The Company's customers in several instances preferred to enter into a lease of seismic equipment with an option to purchase at the end of the lease term. Lease services from lease/purchase contracts generated revenues of $1.2 million for the three month period ended April 30, 1998, an increase of $837,000 or 231%, as compared to $363,000 for the same prior year period, and sales from lease/purchase equipment generated revenues of $7.3 million, an increase of $6.6 million or 859%, as compared to $765,000 for the same prior year period. The increase in lease/purchase revenues was due primarily to an increase in customer's demand for lease/purchase option contracts.

The Company's leasing revenues from both short-term leasing services and lease/purchase contracts increased by $2.7 million. The Company's sublease costs increased by $229,000, or 545%, and depreciation, which related primarily to equipment available for lease, increased by $1.5 million, or 122%, due to the increase in the equipment lease pool, resulting in an increase in net short-term leasing revenues of $962,000.

There were no margins on sales of equipment under lease/purchase agreements for the three month period ended April 30, 1998 and 22% for the prior year period. Gross margins decreased significantly due primarily to one transaction involving leased equipment that had only recently been purchased and added to the Company's equipment lease pool.

Gross margins on seismic equipment sales were 44% and 7% for the three month period ended April 30, 1998 and 1997, respectively. Gross margins increased in the fiscal 1998 period because the Company had a few high margin transactions during the quarter.

General and administrative expenses increased $723,000, or 123%, for the three month period ended April 30, 1998 as compared to the same prior year period and were 8% and 11% of total revenues, respectively. Although general and administrative expenses increased due in part to increased personnel costs and costs associated with the office in Canada, general and administrative expenses decreased as a percentage of total revenues.

The Company's provision for doubtful accounts expense increased from $289,000 in the same prior year period to $608,000 for the three month period ended April 30, 1998. The increase was a result of increased business which resulted in an increase in net accounts receivable of 36%. The provision for doubtful accounts expense was 4% of total revenues in for the three month period ended April 30, 1998 and 5% of total revenues in the same prior year period. As of April 30, 1998, the Company's allowance for doubtful accounts was approximately $1.5 million.

Net income for the three month period ended April 30, 1998 was $1.7 million, which decreased slightly by $43,000, as compared to the same prior year period.

LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 1998, the Company had net working capital of approximately $39.9 million and $15.0 million of availability under its bank credit facilities. Net cash provided by operating activities for the three month period ended April 30, 1998 decreased by $8.5 million, as compared to the same prior year period, primarily as a result of an increase in trade accounts receivable and a decrease in accounts payable. At April 30, 1998, the Company had trade accounts receivable of $5.7 million that were more than 90 days past due, with four customers owing an aggregate of $3.4 million of such amount. As of April 30, 1998, the Company's allowance for doubtful accounts was approximately $1.5 million, which management believes is sufficient to cover any losses in its trade accounts receivable, including any losses in its international customers' trade accounts.

Although the Company has not received payment on the pre-bankruptcy petition claims from Grant Geophysical, the Company expects to collect one-half of pre-bankruptcy petition claims, which total approximately $755,000. The Company's Chief Financial Officer serves on the creditors' committee. The Company is currently leasing seismic equipment to Grant.

Prior to December 8, 1997, the Company had a $5.0 million line of credit with Bank One, Texas, N.A. ("Bank One"). As of December 8, 1997, the Company replaced the previous line of credit with a working capital revolving line of credit of up to $15 million from Bank One (the "New Revolver"). Interest on advances under the New Revolver are payable monthly at a variable rate which is based upon either, at the Company's option, LIBOR or Bank One's base lending rate. The LIBOR rate, if elected, will range between LIBOR plus 1.75% and LIBOR plus 2.75% depending upon the debt service coverage ratio the Company maintains. Similarly, the Bank One base lending rate, if elected, will range between the base rate minus 0.25% and the base rate plus 0.25%, again depending upon the Company's debt service coverage ratio. Additionally, the Company will owe Bank One each fiscal quarter a fee equal of 0.25% of the average daily unused portion of the New Revolver calculated for the previous quarter. Advances will be limited to the total of 80% of eligible accounts receivable and 50% of all eligible lease pool equipment. The New Revolver contains restrictions, among others, on the ability of the Company to incur indebtedness and pay dividends and requires the Company to meet certain financial covenants, including a minimum tangible net worth, a debt service coverage ratio, aging of accounts receivable and net income. The New Revolver will expire on December 8, 1999, at which time the unpaid principal amount of the New Revolver will be due and payable in full. As of April 30, 1998, the Company had not drawn any amounts under the New Revolver.

Capital expenditures in the first quarter of fiscal 1999 totaled $5.2 million. As of April 30, 1998, the Company had satisfied all minimum purchase requirements of equipment under both its Exclusive Lease Referral Agreement with Input/Output, Inc. ("I/O") and its Exclusive Equipment Lease Agreement with Sercel. Effective May 29, 1998, the Company entered into an Equipment Purchase Agreement with I/O, pursuant to which the Company purchased a substantial portion of the equipment lease pool of I/O's wholly-owned subsidiary for $15 million, some of which equipment is subject to existing short-term lease agreements. The Company has until June 30, 1998, to purchase the remaining portion of I/O's subsidiary's equipment lease pool, including the assignment of existing short-term lease agreements, at a price to be agreed upon.

In a related transaction, the Company and I/O agreed in principle to terms of a new Preferred Supplier Agreement. The definitive agreement is expected to be signed by June 30, 1998, and will replace the parties' Exclusive Lease Referral Agreement. The terms provide that the Company will purchase a minimum of between $90 to $100 million of I/O equipment (after applicable discounts and credits) over a five-year term. In addition, I/O will refer to the Company equipment lease inquiries from its customers worldwide during the term of the Agreement. The new agreement covers all equipment and products currently manufactured and sold by I/O, and, in consideration for the Company's minimum purchase commitments, I/O has agreed that it will not offer more favorable pricing for any other company in the seismic equipment leasing business. Likewise, the Company has agreed that it will not offer for resale to third parties I/O equipment manufactured less than three years from the date of offer, unless such equipment is offered pursuant to the Company's lease/purchase agreements.

In the first year of the Preferred Supplier Agreement, the Company is required to purchase a minimum of $30 million of equipment (which includes the $15 million purchase of I/O's subsidiary's lease pool equipment), before applicable discounts and credits. The Company has budgeted capital expenditures of approximately $40 million for fiscal 1999, which includes the above minimum purchase requirements. Management believes that the net proceeds of the December 1997 offering, ($11.4 million remaining) cash provided by operations and funds available from its commercial lender will be sufficient to fund its operations and budgeted capital expenditures for fiscal 1999.

YEAR 2000. The Company has begun to address possible remedial efforts in connection with computer software that could be affected by the Year 2000 problem. The Year 2000 problem is the result of computer programs being written using two digits rather than four to define the applicable year. Any programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a major system failure or miscalculations. The Company has been informed by the suppliers of substantially all of the Company's software that all of those suppliers' software that is used by the Company is Year 2000 compliant. The software from these suppliers is used in major areas of the Company's operations such as for financial, sales, warehousing and administrative purposes. The Company has no internally generated software. After reasonable investigation, the Company has not yet identified any Year 2000 problem but will continue to monitor the issue. However, there can be no assurances that Year 2000 problem will not occur with respect to the Company's computer systems. The Year 2000 problem may impact other entities with which the Company transacts business, and the Company cannot predict the effect of the Year 2000 problem on such entities.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On April 23, 1998, a class action lawsuit was filed against the Company and its chief executive officer and chief financial officer in the U.S. District Court for the Southern District of Texas, Houston Division. The complaint, styled STANLEY MOSKOWITZ V. MITCHAM INDUSTRIES, INC., BILLY F. MITCHAM, JR. AND ROBERTO RIOS, alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Sections 11 and 12(a)(2) of the Securities Act of 1933. The complaint 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 complaint alleges materially false and misleading misrepresentations and omissions in public filings and announcements concerning the Company's business and its allowance for doubtful accounts. The Company believes that the plaintiffs' allegations are without merit and that there are meritorious defenses to the allegations, and intends to defend the action vigorously.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) REPORTS ON 8K
No reports on Form 8K were filed by the Company during the quarter ended April 30, 1998.

(B) EXHIBITS
10.1 - Equipment Purchase Agreement, effective May 29, 1998, between the Company, Input/Output, Inc., and I/O's subsidiary.

11 - Statement of Computation of Earnings Per Share

27 - Financial Data Schedule

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 22, 1998

MITCHAM INDUSTRIES, INC.

/s/ ROBERTO RIOS

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

EQUIPMENT PURCHASE AGREEMENT

THIS EQUIPMENT PURCHASE AGREEMENT (the "AGREEMENT") is executed as of the date set forth below by and between INPUT/OUTPUT, INC., a Delaware corporation, and its wholly-owned subsidiary, GLOBAL CHARTER CORPORATION, a Delaware corporation (together, "SELLER") and MITCHAM INDUSTRIES, INC., a Texas corporation ("BUYER").

RECITALS:

A. Seller is primarily engaged in the business of manufacturing and selling seismic data acquisition equipment and related products, and additionally has been engaged in the business of leasing its equipment to its customers under lease/purchase agreements.

B. Buyer is primarily engaged in the business of leasing seismic equipment, including equipment and products manufactured by Seller, to its customers.

C. Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, certain equipment and products owned by Seller that comprises a substantial portion of Seller's inventory held for rental to customers more particularly described in SCHEDULE 1 attached hereto (the "RENTAL INVENTORY").

D. Certain of the Rental Inventory (the "LEASED INVENTORY") is subject to certain leases and rental agreements (the "LEASES"), which Leased Inventory and Leases are more particularly described on SCHEDULE 2 attached hereto, and Seller has agreed to assign the Leases to Buyer.

E. As additional consideration for the purchase and sale of the Rental Inventory, Seller and Buyer have agreed to enter into a Preferred Supplier Agreement ("SUPPLIER AGREEMENT") pursuant to which Buyer will commit to purchase certain amounts of Products (defined therein) manufactured by Seller over the term of the Supplier Agreement and Seller will agree to give certain preferred pricing to Buyer in the form of discounts and credits. The parties have agreed to the basic terms and conditions of the Supplier Agreement as set forth on EXHIBIT A attached hereto (the "SUMMARY OF TERMS"), which will be memorialized in a definitive Supplier Agreement to be executed by the parties after the Effective Date.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

1. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings set forth below:

"ADDITIONAL INVENTORY" means the equipment and products owned by Seller and leased to customers pursuant to the Additional Leases, as set forth on SCHEDULE 3 attached hereto.

"ADDITIONAL LEASES" means those rental and lease/purchase agreements between Seller and various customers for the rental of Additional Inventory, as described in SCHEDULE 3 attached hereto.

"ASSIGNMENT" means the Assignment of Leases in the form attached hereto as EXHIBIT B.

"BILL OF SALE" means the Bill of Sale in the form attached hereto as EXHIBIT C.

"EFFECTIVE DATE" means May 29, 1998.

"EQUIPMENT" means, collectively, the Rental Inventory and the Additional Inventory.

"LEASED INVENTORY" means that portion of the Rental Inventory that is leased to customers pursuant to the Leases, and described in SCHEDULE 3 attached hereto.

"LEASES" means those rental and lease/purchase agreements between Seller and various customers for the rental of Leased Inventory, as described in SCHEDULE 3 attached hereto.

"RENTAL INVENTORY" means the equipment and products of Seller described in SCHEDULE 1 attached hereto.

"RENTAL FLEET" means, collectively, the Rental Inventory and the Leases, and following the Second Closing Date, if any, the Additional Inventory and the Additional Leases.

"SECOND CLOSING DATE" has the meaning given that term in SECTION 4.

"SUMMARY OF TERMS" means the basic terms and conditions that have been agreed by Buyer and Seller to be contained in the Supplier Agreement and which are attached hereto as EXHIBIT A.

"SUPPLIER AGREEMENT" means the Preferred Supplier Agreement to be entered into by Buyer and Seller after the Effective Date, which shall incorporate the terms and conditions (among other terms) set forth in the Summary of Terms.

2. SALE OF RENTAL INVENTORY. On the Effective Date, Seller shall sell to Buyer and Buyer shall purchase from Seller, the Rental Inventory. The purchase price for the Rental Inventory shall be $15,000,000. In addition, on the Effective Date, Seller shall assign the Leases to Buyer.

3. CLOSING. The closing of the transactions contemplated herein ("CLOSING") shall take place at the offices of Seller's counsel, or at such other place as may be agreed by the parties, on the Effective Date. At the Closing:

(a) Buyer shall deliver to Seller:

(i) the sum of $2,250,000 (being 15% of the purchase price for the Rental Inventory), in cash or immediately available funds, and the remainder of the purchase price for the Rental Equipment shall be due and payable to Seller in cash or immediately available funds immediately upon completion of the definitive form of the Supplier Agreement.

(ii) an executed counterpart of the Assignment, executed by Buyer.

(b) Seller shall deliver to Buyer:

(i) the Rental Inventory (other than the Leased Inventory); provided, however, that certain items of Rental Inventory are in transit to Seller from customers, and Seller will deliver those items of Rental Inventory to Buyer promptly following receipt thereof;

(ii) the Bill of Sale executed by Seller with respect to the Rental Inventory.

(iii) an executed counterpart of the Assignment executed by Seller; and

(iv) the original of all Leases that are in Seller's possession, and if the original of such Leases are not in Seller's possession, a copy of those Leases.

4. SALE OF ADDITIONAL LEASED INVENTORY. Seller and Buyer acknowledge and agree that: (a) the Leased Inventory does not constitute all of the equipment and products owned by Seller that are leased to Seller's customers, (b) certain other equipment and products constituting the Additional Inventory have been leased by Seller to certain customers pursuant to the Additional Leases, and (c) due to incomplete documentation with respect to the Additional Inventory, Seller is not in a position to deliver and assign the Additional Leases on the Effective Date. Seller intends to have the documentation with respect to the Additional Inventory and Additional Leases completed and assembled within fifteen (15) days after the Effective Date. Seller hereby grants to Buyer the right and option to purchase the Additional Equipment and the Additional Leases on or before the date that is thirty (30) days after the Effective Date (the "SECOND CLOSING DATE"). If Buyer elects to exercise its option and purchase the Additional Inventory prior to the Second Closing Date, Seller and Buyer shall execute and deliver (i) an Assignment of Leases with respect to the Additional Leases in substantially the same form as the Assignment and (ii) a Bill of Sale with respect to the Additional Inventory in substantially the

same form as the Bill of Sale. The purchase price for the Additional Inventory shall be determined by agreement of the parties.

5. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants to Buyer as follows:

(a) Seller is authorized to executed and deliver this Agreement and to perform its obligations hereunder.

(b) Seller is the owner of the Rental Inventory and the Additional Inventory, and is the lessor under the Leases and the Additional Leases.

6. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS OF BUYER. Buyer hereby represents, warrants and acknowledges to Seller as follows:

(a) Buyer is authorized to executed and deliver this Agreement and to perform its obligations hereunder.

(b) Except for the limited warranties set forth in SECTION 8 below, Buyer hereby acknowledges that Buyer is purchasing the Rental Fleet, and those assets and property shall be conveyed and transferred to Buyer, "AS IS, WHERE IS, AND WITH ALL FAULTS" and specifically and expressly without any warranties, representations, or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Seller. SELLER HAS NOT, DOES NOT, AND WILL NOT WITH RESPECT TO THE RENTAL FLEET, MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE, OR WITH RESPECT TO THE VALUE, PROFITABILITY, OR MARKETABILITY OF THE RENTAL FLEET.

7. PREFERRED SUPPLIER AGREEMENT. As consideration for the execution and consummation of this Agreement, Buyer and Seller have agreed to enter into a Supplier Agreement on the terms set forth in the Summary of Terms. Buyer and Seller acknowledge and agree that (a) the Summary of Terms contain the basic business terms that the parties have agreed upon, but that additional terms and conditions may be reasonably required by the respective parties and their counsel, and (b) they will negotiate the other terms of the Supplier Agreement in good faith and use reasonable efforts to have the definitive form of the Supplier Agreement signed by the parties by June 30, 1998. Seller agrees that the purchase price for the Equipment will count towards the Buyer's minimum annual purchase requirement for Year 1 under the Supplier Agreement.

8. PRODUCT WARRANTIES. The sale of the Rental Fleet is made without warranty of any kind, except as set forth in SECTION 5; and provided further that Seller will provide a limited 90-day warranty on the Rental Inventory and the Additional Inventory as provided in EXHIBIT D.

9. TAXES. All sales, value added, use, excise and other taxes arising from the transaction are to be paid by Buyer. Buyer agrees to indemnify and hold Seller harmless from and against any liability for such sales, use, excise, or other taxes arising from the transactions contemplated by this Agreement.

10. EXPORT RESTRICTIONS. Buyer agrees that it shall comply with any and all laws, regulations, orders, or other restrictions of the United States of America relating to the export and re-export of commodities and technical data which may be imposed from time to time. Buyer will not export or re-export, directly or indirectly any products or information with respect to the Equipment to any destination prohibited by such laws, regulations, orders or other restrictions without the prior authorization of the appropriate U.S. Government authorities. Buyer agrees that its obligations under this section shall survive Closing.

11. PROPRIETARY RIGHTS, LICENSE AND CONFIDENTIALITY.

(a) Buyer acknowledges that the Equipment contains certain hardware components and software proprietary to Seller. Seller, for itself and its assignees, hereby grants to Buyer a non-exclusive, irrevocable license to use the software for the purpose of operating the Equipment. The license granted hereunder is for an undetermined period and shall survive the Closing.

(b) Buyer acknowledges that any hardware and software proprietary to Seller are trade secrets and constitute a valuable asset of Seller. Buyer agrees that it shall exercise at least the same degree of care and discretion with respect to the hardware and software as it exercises in protecting its own confidential information; that it shall not disclose or otherwise make available, without the prior written consent of Seller, the hardware or software or any copies of it to any other person and that it shall not copy or reproduce the hardware or software. Buyer agrees that this provision shall survive the Closing.

(c) Buyer further acknowledges that it shall not, without the prior written consent of Seller, divulge any information relating to the terms of this Agreement to any third party, except as to the extent required by law, and shall take all reasonable action to prevent its employees and all others, if any, involved in this Agreement from divulging such information to third parties.

12. PRORATION OF RENTAL PAYMENTS. Rental payments under the Leases and the Additional Leases actually paid to and received by Seller for the month in which the Closing (or the Second Closing Date) occurs shall be prorated as of the Effective Date or the Second Closing Date, as appropriate. Buyer shall make a diligent attempt after the Closing to collect any rental payments delinquent at the time of the assignment of the Leases or Additional Leases in the usual

course of business and shall remit Seller's portion of those collections to Seller promptly after receipt by Buyer. Nothing in this subparagraph shall prohibit, limit or restrict Seller from collecting or attempting to collect directly from any lessee in any lawful manner after Closing any rents delinquent as of Closing.

13. NOTICES. Any notice or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing, certified mail, postage prepaid, mailgram or telegram, and shall be deemed communicated as of delivery, unless otherwise provided in this Agreement in accordance with this paragraph at the address set forth below:

Seller: Input/Output, Inc.
11104 West Airport, Suite 200
Stafford, Texas 77477
Attention: Gay Mayeux, Chief Financial Officer

Buyer: Mitcham Industries, Inc.
P.O. Box 1175
Huntsville, Texas 77342
Attention: Bill F. Mitcham, Jr.

14. MISCELLANEOUS PROVISIONS.

(a) ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between Seller and Buyer with respect to the purchase and sale of the Equipment and no representation or statement not contained herein shall be binding upon Seller or Buyer as a warranty or otherwise, unless in writing and executed by the party to be bound thereby. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) GOVERNING LAW. This Agreement shall be construed in accordance with the laws of the State of Texas.

(c) RISK OF LOSS. The sale of the Equipment (other than Leased Inventory and Additional Inventory) hereunder will be F.O.B. Seller's plant in Stafford, Texas, with Buyer being responsible for the cost of shipping and transporting the Equipment.

(d) BINDING EFFECT. This Agreement is binding upon and inures to the benefit of Seller and Buyer and their respective successors and assigns.

(e) FURTHER ACTS. In addition to the acts and deeds recited in this Agreement and contemplated to be performed, executed and/or delivered by Seller or Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or after the Closing any and all further acts, deeds and assurances as are reasonably necessary to consummate the transactions contemplated hereby.

(f) TIME OF THE ESSENCE. It is expressly agreed by Buyer and Seller that time is of the essence with respect to this Agreement.

(g) ATTORNEY'S FEES. If either party hereto employs an attorney to enforce or defend its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees.

(h) MULTIPLE COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties to this Agreement may execute this Agreement by signing any of the counterparts.

EXECUTED as of May 29, 1998.

INPUT/OUTPUT, INC., a Delaware corporation

By: /s/ DENNIS N. JORDHOY

Dennis N. Jordhoy, Vice President-Sales

GLOBAL CHARTER CORPORATION, a Delaware corporation

By: /s/ RONALD A. HARRIS

Ronald A. Harris, President

MITCHAM INDUSTRIES, INC., a Texas corporation

By: /s/ BILL F. MITCHAM

Bill F. Mitcham, President and Chief Executive Officer

EXHIBIT 11

MITCHAM INDUSTRIES, INC.
Computation of Earnings per Common
and Common Equivalent Share
(In thousands except per share data)

	Three months ended April 30, 1998	Three months ended April 30, 1997
COMPUTATION OF BASIC EARNINGS PER COMMON SHARE:		
Net income	$ 1,680	$ 1,723
Weighted average number of common shares outstanding	9,437,000	6,060,000
Earnings per common share	$ 0.18	$ 0.28
COMPUTATION OF EARNING PER COMMON SHARE ASSUMING DILUTION:		
Net income	$ 1,680	$ 1,723
Weighted average number of common shares outstanding	9,437,000	6,060,000
Net effect of dilutive stock options and warrants based on the treasury stock method, using the average market price	320,000	179,000
Common shares outstanding assuming dilution	9,757,000	6,239,000
Earnings per common share assuming dilution	$ 0.17	$ 0.28

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1,000

3-MOS
JAN-31-1999
FEB-01-1998
APR-30-1998
1,704
19,855
20,965
1,465
1,074
42,877
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9,862
81,496
2,936
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0
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81,496
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4,447
608
0
2,586
906
1,680
0
0
0
1,680
.18
.17