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, 1996

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

COMMISSION FILE NUMBER 81164-D

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: 4,378,650 shares of Common Stock, $.01 par value, were outstanding as of June 6, 1996.

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 SHEET
(IN THOUSANDS)
(UNAUDITED)

ASSETS	April 30, 1996
CURRENT ASSETS:	
Cash	$3,912
Accounts receivable, net	2,911
Installment notes receivable, trade	121
Inventories	360
Prepaid expenses and other current assets	68
Total current assets	7,372
Seismic equipment lease pool, net	8,746
Property plant and equipment, net	479
Other assets	60
Total assets	$16,657
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Current portion of long-term debt	986
Accounts payable	585
Accrued liabilities and other current liabilities	265
Income taxes payable	565
Deferred income taxes payable	591
Total current liabilities	2,992
LONG-TERM DEBT	
Long-term debt, net of current portion	3,387
DEFERRED INCOME TAXES	304
Total liabilities	6,683
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, 3,625,027 issued and outstanding	36
Additional paid-in capital	5,757
Retained earnings	4,181
Total stockholders' equity	9,974
Total liabilities and stockholders' equity	$16,657

See accompanying notes.

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

	Three months ended April 30,	
	1996	1995
REVENUES:		
Leases of seismic equipment	$1,804	$1,094
Sales of seismic equipment	466	277
Total revenues	2,270	1,371
COSTS AND EXPENSES:		
Seismic equipment subleases	47	91
Sales of seismic equipment	373	149
General and administrative	502	364
Depreciation	530	214
Total costs and expenses	1,452	818
OTHER INCOME (EXPENSE):		
Interest, net	(48)	(3)
Other, net	19	23
Total other income (expense)	(29)	20
INCOME BEFORE INCOME TAXES	789	573
PROVISION FOR INCOME TAXES	284	197
NET INCOME	$505	$376
Earnings per common and common equivalent share:		
Primary	$0.13	$0.12
Assuming full dilution	$0.12	$0.12
Shares used in computing earnings per common and common equivalent share:		
Primary	4,024,029	3,170,000
Assuming full dilution	4,158,763	3,170,000

See accompanying notes.

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

	Three Months Ended April 30,	
CASH FLOWS FROM OPERATING ACTIVITIES:	1996	1995
Net income	$505	$376
Adjustments to reconcile net income to net cash flows from operating activities:		
Receivables, net	(702)	(169)
Accounts payable and other current liabilities	139	392
Depreciation	530	214
Provision for doubtful accounts, net of charge offs	140	30
Other, net	61	(201)
Net cash provided by operating activities	673	642
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of seismic equipment held for lease	(1,145)	(271)
Purchases of property, plant and equipment	(23)	(4)
Net cash used in investing activities	(1,168)	(275)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on short-term borrowings	(400)	(85)
Proceeds from long-term debt	3,126	-
Payments on long-term debt and capitalized lease obligations	(377)	(41)
Proceeds from issuance of common stock, net of offering expenses	1,421	-
Net cash provided by financing activities	3,770	(126)
NET INCREASE (DECREASE) IN CASH	3,275	241
CASH, BEGINNING OF PERIOD	637	874
CASH, END OF PERIOD	$3,912	$1,115
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$55	$17
Taxes	-	$35

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 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, 1996. 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, 1996 and 1995, and cash flows for the three months then ended have been included.

2. The Company called for redemption its 895,000 publicly traded Common Stock Purchase Warrants on April 29, 1996. 892,750 of the 895,000 warrants were exercised subsequent to the end of the quarter. The dilutive effect of those warrants, as well as certain other stock options and warrants, is reflected in the computation of primary and fully diluted earnings per share.

3. The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending January 31, 1997.

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

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED APRIL 30, 1996 AND APRIL 30, 1995. Revenues of $2,270,000 for the three months ended April 30, 1996 represent an increase of 66% over revenues of $1,371,000 for the same prior year period. Leasing services generated revenues of $1,804,000 for the three months ended April 30, 1996, an increase of $710,000, or 65%, as compared to $1,094,000 for the same prior year period. The majority of this increase was attributable to additions of lease fleet equipment throughout fiscal 1996 and the first quarter of fiscal 1997 to meet lease demand. Seismic equipment sales for the three months ended April 30, 1996 were $466,000, an increase of $189,000, or 68%, for the same prior year period.

While the Company's leasing revenues increased by $710,000 for the three months ended April 30, 1996 as compared to the same prior year period, sublease costs decreased by $44,000 and depreciation, which relates primarily to equipment available for lease, increased by $316,000, resulting in an increase in net leasing revenues of $438,000.

Gross margins on seismic equipment sales were 20% and 46% for the three months ended April 30, 1996 and 1995, respectively. Margins on sales of used equipment vary based upon the size of the transactions, 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. The margin for the fiscal 1996 period was significantly lower because of a few low-margin transactions.

General and administrative expenses increased 38%, or $138,000, for the three months ended April 30, 1996 as compared to the same period in 1995 and were 22% and 27% of total revenues for the three months ended April 30, 1996 and 1995, respectively. The increase was due primarily to increased personnel costs and higher provision for bad debt expense. The Company's provision for doubtful accounts expense increased from $30,000 in the fiscal 1996 period to $140,000 in the fiscal 1997 period. The increase reflects additional allowances provided for the increase in revenues and the corresponding increase in receivables. While management expects its past due accounts to be collected in full, additional reserves have been provided to reflect the increased credit risk associated with the increase in receivables. As of April 30, 1996, the Company's allowance for doubtful accounts receivable amounted to $487,000, which is an amount management believes is sufficient to cover any losses which may develop in trade accounts receivable as of that date.

Net income for the three months ended April 30, 1996 increased by $129,000, as compared to the same fiscal 1995 period. The increase resulted primarily from the increase in net leasing revenues, offset by increases in the cost of equipment sold, general and administration and depreciation expense.

LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 1996, the Company had current assets of $7,372,000, including $3,912,000 in cash, and current liabilities of $2,992,000, which includes debt totaling $986,000. Cash flows from operations for the three months ended April 30, 1996, increased by $31,000 as compared to the same 1995 period. Net income, which included an additional $316,000 of depreciation, increased by $129,000 during the 1996 period. At April 30, 1996, the Company had four customers with an aggregate of $738,000 more than 90 days past due. As of the date of this report, $279,000 of these past due amounts had been collected. The Company believes it has no other significant credit problems as of April 30, 1996. Inventory increased by $42,000 as of April 30, 1996, as compared to the same prior year period, as a result of the Company's acquisition of used seismic equipment at favorable prices. Accounts payable, accrued liabilities and other current liabilities and income taxes payable as of April 30, 1996 collectively amounted to $1,415,000, an increase of $301,000 as compared to April 30, 1995. This represents additional amounts accrued for income taxes at April 30, 1996 as compared to the same 1995 period.

As of April 30, 1996, the Company had an equipment loan and a revolving line of credit with a bank. In January 1996 the Company obtained a $4.2 million equipment loan and a $1.0 million line of credit. Approximately $1.0 million of the equipment loan was advanced to the Company at January 31, 1996 and was used primarily to pay amounts due to Input/Output, Inc. ("I/O") for 3-D channel boxes acquired under the Exclusive Lease Referral Agreement with I/O (the "I/O Agreement") in fiscal 1996. In March 1996, an additional approximately $3.1 million of the $4.2 million equipment loan was advanced to the Company and an aggregate of approximately $1.5 million was used to pay all amounts outstanding under a second equipment loan and second line of credit and to pay amounts due to I/O for 3-D channel boxes acquired under the I/O Agreement in fiscal 1997. Amounts due under the term loan at April 30, 1996 are due in monthly installments of $105,668, including interest at 9.5%, through January 2000. Amounts borrowed under the $1.0 million line of credit will bear interest at prime plus .5%. Total borrowings under the line are limited to 80% of the Company's eligible accounts receivable and 50% of its eligible inventory. Both of the foregoing obligations are secured by an assignment of leases, accounts receivable, and inventory, including lease pool equipment.

At April 30, 1996, the Company also an outstanding bank loan of $276,000 in connection with the Company's acquisition in fiscal 1996 of its office facilities from Mitcham Properties, Inc., a corporation wholly owned by Billy F. Mitcham, Jr. It is due in monthly installments of $2,803, including interest at 9%, through September 1998. In April 1996, the Company used proceeds from the $4.2 million equipment loan described in the previous paragraph to pay all amounts outstanding on a $50,000 loan used to renovate the facilities.

From June 1994 through January 1995, the consummation of the Company's initial public offering (the "IPO"), the Company purchased an aggregate of $4.2 million of 3-D channel boxes from I/O. The Company acquired an additional $3.7 million of 3-D channel boxes from I/O throughout fiscal 1996 and $1.6 million of seismic equipment from other manufacturers, for total capital expenditures in fiscal 1996 of approximately $5.3 million. The equipment was acquired using existing cash flows, advances from the $1.0 million line of credit obtained in January 1995 and other bank financing.

The Company is required to purchase an additional $2.1 million of channel boxes by December 1996 under the I/O Agreement and expects total capital expenditures for fiscal 1997 to be approximately $6.0 million. As of the date of this report, the Company has received an aggregate of approximately $700,000, $3.1 million and $440,000 from the exercise of bridge warrants, the public warrants and warrants issued to the underwriter in the IPO ("Representative's Warrants"), respectively, for an aggregate of approximately $4.2 million. The Company plans to obtain the $6.0 million of capital equipment in fiscal 1997 with a combination of cash flows from operations, the available portions of its term loan and line of credit, and a portion of the approximately $4.2 million it has already received from the exercise of the bridge warrants, the public warrants and the Representative's Warrants.

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, 1996 and 1995.

(b) REPORTS ON FORM 8-K

None

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.

MITCHAM INDUSTRIES, INC.

/s/ Roberto Rios
DATE: JUNE 13, 1996 ROBERTO RIOS
CHIEF FINANCIAL OFFICER

EXHIBIT 11

MITCHAM INDUSTRIES, INC.
COMPUTATION OF EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE

	Three months ended April 30, 1996	Three months ended April 30, 1995
Computation of primary earnings per common share:		
Net income	$505,000	$376,000
Weighted average number of common shares outstanding	3,435,006	3,170,000
Net effect of dilutive stock options and warrants, based on the treasury stock method, using average market price..	589,023	-
Common shares outstanding	4,024,029	3,170,000
Earnings per common share	$0.13	$0.12
Computation of earnings per common share assuming full dilution:		
Net income	$505,000	$376,000
Weighted average number of common shares outstanding	3,435,006	3,170,000
Net effect of dilutive stock options and warrants based on the treasury stock method, using the end-of-period market price	723,757	-
Common shares outstanding assuming full dilution	4,158,763	3,170,000
Earnings per common share assuming full dilution	$0.12	$0.12

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3-MOS
JAN-31-1996
FEB-01-1996
APR-30-1996
3,912
0
3,519
487
360
7,372
11,309
2,084
16,657
2,992
0
0
0
36
9,938
16,657
466
2,270
373
1,452
29
487
66
789
284
505
0
0
0
505
.13
.12