

MITCHAM INDUSTRIES INC

Form 8-K/A

October 03, 2005

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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 3, 2005 (July 12, 2005)

Date of Report (Date of earliest event reported)

Mitcham Industries, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction
of incorporation)

000-25142

(Commission
File Number)

76-0210849

(IRS Employer
Identification No.)

8141 SH 75 South, P.O. Box 1175, Huntsville, Texas 77342

(Address of principal executive offices) (Zip Code)

936-291-2277

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Explanatory Note

On July 15, 2005, Mitcham Industries, Inc. (Mitcham or the Company) filed a Current Report on Form 8-K to report that the acquisition of SeaMap International Holdings Pte. Ltd. (Seamap). Mitcham is filing this Current Report on Form 8-K/A to amend only Item 9.01, as reported in such previous Current Report, to provide the financial statements and financial information required by Item 9.01(a) and 9.01(b) hereof and the required auditor's consent. Except for the filing of the financial statements and financial information and related exhibits, the Current Report on Form 8-K filed on July 15, 2005 is not being amended or updated in any manner.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

Audited Consolidated Financial Statements of SeaMap International Holdings Pte. Ltd. as of December 31, 2004 and the related consolidated statements of income, statement of changes in equity, and cash flows

(b) Pro Forma Financial Information

The Unaudited Pro Forma Consolidated Financial Statements of Mitcham Industries, Inc. for the year ended January 31, 2005

(c) Exhibits

10.1 Stock Purchase Agreement, effective as of July 1, 2005, between Mitcham Industries, Inc. and Mark Welker, Tomoko Welker, Chew Kok Lee Pinnington, Michael Pinnington, Timothy Pinnington and Phillip Bull.*

23.1 Consent of K. C. Lau & Co.

99.1 Press release dated July 13, 2005.*

* Previously filed

**SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(INCORPORATED IN SINGAPORE)
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
CONTENTS

| | PAGE(S) |
|-----------------------------------|---------|
| Report of the directors | 1-2 |
| Statement by the directors | 3 |
| Auditors Report | 4 |
| Balance Sheet | 5 |
| Statement of changes in equity | 6 |
| Income statement | 7 |
| Cash flow statement | 8 |
| Notes to the financial statements | 9-14 |

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2004.

DIRECTORS

The directors of the Company in office at the date of this report are: -

Michael Anthony Pinnington

Mark Welker

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50, the directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporation except as follows: -

Name of directors: -

| | Number of ordinary shares of S\$1 each | |
|----------------------------|--|------------------------|
| | At 1 January 2004 | At 31 December 2004 |
| Michael Anthony Pinnington | 86,000 | 86,000 |
| Mark Welker | 292,400 | 292,400 |

DIRECTORS CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director of the Company has received or become entitled to receive benefits which is required to be disclosed under section 201 (8) of the Companies Act, Cap. 50, by reason of contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest, except for those disclosed in the attached financial statements.

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
REPORT OF THE DIRECTORS
(Continued)

SHARE OPTIONS

There were no options granted during the financial year and since the commencement of the scheme to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under options at the end of the financial year.

AUDITORS

The auditors, K. C. LAU & CO, Certified Public Accountants, have expressed their willingness to accept appointment.

On behalf of the Board

/s/ Michael Anthony Pinnington
Michael Anthony Pinnington

/s/ Mark Welker
Mark Welker

Singapore, 30 June 2005

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

STATEMENT BY THE DIRECTORS

In the opinion of the directors, the accompanying financial statements of the Company and of the Group together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004 and of the results and cash flows of the Group, changes in equity of the Company and of the Group for the year then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

/s/ Michael Anthony Pinnington

/s/ Mark Welker

Michael Anthony Pinnington

Mark Welker

Singapore, 30 September 2005

**AUDITORS REPORT
TO THE MEMBERS OF**

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

Page 4

We have audited the accompanying balance sheet of **SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES** as at 31 December 2004, statement of changes in equity, income statement and cash flow statement for the year then ended set out on pages 7 to 11. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion: -

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, Cap 50, and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004 and of the results and cash flows and changes in equity of the Company and of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

K. C. Lau & Co
Certified Public Accountants

Singapore, 30 September 2005

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004

| | Notes | 2004 US\$ |
|---------------------------------------|-------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Fixed assets | | 82,046 |
| Current assets | | |
| Stocks | 4 | 1,096,070 |
| Trade debtors | | 656,495 |
| Other debtors | 5 | 31,794 |
| Cash & bank balances | | 1,402,010 |
| | | 3,186,369 |
| TOTAL ASSETS | | 3,268,415 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Issued capital | 3 | 419,130 |
| Retained profits | | 154,346 |
| | | 573,476 |
| Non-current liabilities | | |
| Hire Purchase Creditors | 9 | 2,947 |
| Provision for liabilities and charges | | 3,199 |
| | | 6,146 |
| Current liabilities | | |
| Trade Creditors | 8 | 372,660 |
| Provision for Taxation | 10 | 301,009 |
| Amount due to directors | 7 | 392,270 |
| Hire purchase creditors | 9 | 8,483 |
| Other creditors | | 1,614,371 |
| | | 2,688,793 |
| TOTAL EQUITY AND LIABILITIES | | 3,268,415 |

The accounting policies and explanatory notes on pages 9-14
form an integral part of the financial statements

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004

| | 2004 US\$ |
|--|----------------------------|
| Issued capital | |
| Balance at beginning and end of the year | 419,130 |
| Retained profits | |
| Balance at beginning of the year | (409,193) |
| Profit for the year after tax | 563,539 |
| Balance at the end of the year | 154,346 |
| Total equity | 573,476 |

The accounting policies and explanatory notes on page 9-14
form an integral part of the financial statements

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

| | Notes | 2004 US\$ |
|--|-------|--------------|
| Revenue | | 5,685,652 |
| COST OF SALES | | (2,642,569) |
| GROSS PROFIT | | 3,043,083 |
| ADD: OTHER INCOME | | 12,955 |
| Staff costs | | (1,783,336) |
| Depreciation expense | | (70,501) |
| Other operating expenses | | (519,365) |
| Profit/(loss) from the operations | | 682,836 |
| Finance cost | | (7,221) |
| Profit/(loss) before income tax | | 675,615 |
| After charging/(crediting): - | | |
| Depreciation | | 70,501 |
| Director s remuneration | | 184,181 |
| Difference in exchange | | 15,235 |
| Interest income | | (449) |
| Hire purchase interest | | 1,053 |
| Loss on disposal of fixed assets | | 86 |
| Income tax | 11 | (112,076) |
| Profit after income tax | | 563,539 |
| Profit attributable to : | | |
| Holding company | | |
| Subsidiaries | | 563,539 |
| | | 563,539 |

The accounting policies and explanatory notes on pages 9-14
form an integral part of the financial statements

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

| | 2004 US\$ |
|--|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Net profit/(loss) before income tax | 675,615 |
| Adjustment for: | |
| Interest income | (449) |
| Hire purchase interest | 1,053 |
| Loss on disposal of fixed assets | 86 |
| Depreciation | 70,501 |
| Operating profit before working capital changes | 746,806 |
| (Increase)/Decrease in: | |
| Stocks | (1,096,070) |
| Trade debtors | (656,495) |
| Other debtors | (31,794) |
| Increase/(Decrease) in: | |
| Trade Creditors | 372,660 |
| Other creditors | 1,706,417 |
| Amount due to directors | 392,270 |
| Provision for liabilities and charges | 3,199 |
| Cash generated from/(used in) operating activities | 1,436,993 |
| Tax paid | |
| Interest paid | (1,053) |
| Net cash generated from/(used in) operating activities | 1,435,940 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest income | 449 |
| Purchases of fixed assets | (34,379) |
| Net cash (used in) investing activities | (33,930) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Hire purchase creditor | |
| Net cash (used in) financing activities | |
| Net increase/(decrease) in cash and cash equivalents | 1,402,010 |

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year 1,402,010

The accounting policies and explanatory notes on pages 9 14
form an integral part of the financial statements

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2004

The accompanying notes to the financial statements form an integral part of the financial statements.

1. CORPORATE INFORMATION

The principal activities of the Company are that of designing, manufacturing, repairing, servicing and hiring of all kinds of electronic, electrical and mechanical equipment primarily for offshore oil industry. Income arising from those activities comprises the turnover of the Company.

There have been no significant changes in the nature of these activities during the year.

Turnover comprises revenue earned from the carrying on of these activities during the financial year under review.

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is **Block 2 Loyang Lane, #05-03 Loyang Industrial Estate, Singapore 508913**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting: The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including interpretation promulgated by the Council on Corporate Disclosure and Governance. The financial statements have been prepared under the historical cost convention and expressed in Singapore Dollars.

Basis of Consolidation: The consolidated financial statements of the Group made up to the end of the financial year. All significant intercompany balances and transactions are eliminated on consolidation. The results of subsidiary acquired or disposed of during the year are included or excluded from the respective dates of acquisition or disposal, where applicable.

Depreciation: Depreciation is calculated to write off the cost of the fixed assets over their estimated useful lives by the straight line method. The estimated useful lives for this purpose are as follows: -

| | |
|-----------------------|---------------|
| Computer equipment | - 1 - 3 years |
| Furniture & fittings | - 3 years |
| Office equipment | - 3 years |
| Machinery & equipment | - 1 - 3 years |
| Motor vehicles | - 6 years |

Full depreciation is charged in the year of acquisition and in the year of disposal. Fully depreciated assets are retained in the financial statements until they are no longer in use.

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2004

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign Currency transactions: Transactions in foreign currencies are measured and recorded in Singapore dollars using the exchange rate in effect at the date of the transaction. At each balance sheet date, recorded monetary balances that are denominated in a foreign currency are adjusted to reflect the rate at the balance sheet date. All exchange adjustments are taken to the income statement.

Employee benefit: As required by law, the Company in Singapore makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Subsidiary Company: Investment in subsidiary is stated at cost less provision for any permanent diminution in value of the investment.

Impairment of assets: Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income and expenditure statement for items of assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recorded in income and expenditure or as a revaluation increase.

Stocks: Stocks are stated at the lower of cost or estimated net realisable value calculated on weighted average basis. Net realisable value is the price at which the stocks can be realised in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for obsolete, slow-moving and defective stocks.

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2004**

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Hire purchase transactions: Assets acquired under hire purchase arrangements are capitalized in the financial statements. The corresponding obligations are treated as liabilities. The assets so capitalized are depreciated in accordance with Company's depreciation policy. The deferred finance charge is allocated to periods during hire purchase arrangements so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases: Rental payables under operating leases are accounted for in the income statements on a straight line basis over the periods of the respective leases.

Income tax: Tax expense for the year is determined on the basis of tax effect accounting using tax liability method. Deferred taxation is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In accounting for temporary differences, deferred tax benefits are accounted for to the extent that it is probable that future profits will be available for their utilisation.

Income recognition: Income is recognised in the income statement based on invoices raised for services rendered and goods sold during the financial year under review.

3. SHARE CAPITAL

| | 2004 |
|--------------------------------------|-------------|
| | US\$ |
| Authorised: | |
| 419,130 ordinary shares of S\$1 each | 419,130 |
| Issued and fully paid: | |
| 419,130 ordinary shares of S\$1 each | 419,130 |

4. STOCKS

| | 2004 |
|-------------------------------|-------------|
| | US\$ |
| Parts and accessories at cost | 1,096,070 |

5. OTHER DEBTORS

| | 2004 |
|---------------|-------------|
| | US\$ |
| Other debtors | 6,256 |

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2004**

(Continued)

6. DETAILS OF SUBSIDIARIES

| NAME | Percentage Of control | Place of Incorporation | Principal business activities |
|----------------|----------------------------------|-----------------------------------|--|
| Seamap Inc | 100% | Texas USA | Design and manufacture of specialized electronic |
| Seamap UK Ltd | 100% | United Kingdom | Design and manufacture of specialized electronic |
| Seamap Pte Ltd | 100% | Singapore | Design and manufacture of specialized electronic |

7. DUE TO DIRECTORS

The amounts due to directors are unsecured, non-trade in nature, interest-free and have no fixed terms of repayment.

8. TRADE CREDITORS

| | |
|-----------------|-------------|
| | 2004 |
| | US\$ |
| Trade creditors | 372,660 |

9. HIRE PURCHASE CREDITOR

The future minimum payments under hire purchase agreement are follows: -

| | |
|-----------------------|-------------|
| | 2004 |
| | S\$ |
| Not later than 1 year | 8,483 |
| Later than 1 year | 2,947 |

10. PROVISION FOR INCOME TAX

| | |
|--------------------------------|-------------|
| | 2004 |
| | US\$ |
| Balance at the end of the year | 301,009 |

11. INCOME TAX**Current taxation**

| | |
|---------------------------|-------------|
| | 2004 |
| | US\$ |
| Current year's income tax | 112,076 |

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2004

(Continued)

12. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks using a variety of techniques and instruments. The Company's policy prohibits it to enter into speculative transactions.

Credit risk

The carrying amounts of trade debtors, other debtors, due from affiliated parties, due from holding company and bank balances represent the Company's main exposure to credit risk. The exposure to credit risk is monitored on an ongoing basis. Bank balances are placed with reputable banks.

Liquidity risk

The Company's dependency on the recoverability of its trade debtors, other debtors, due from affiliated parties and due from holding company represent its main exposure to liquidity risk.

Interest rate risk

The Company's bank interest income and hire purchase interest expense are exposed to financial market risk due to fluctuations in interest rates, which may affect the Company's interest income and expense.

The Company manages this exposure by regular monitoring of the interest rates.

Foreign currency risk

The Company incurs foreign currency risk on revenue and expenditure that are denominated in a currency other than Singapore dollars. The main currencies giving rises to this risk are US dollar and British pound.

Fair value of financial instruments

There are no significant differences between the fair values of financial assets and liabilities and their respective carrying values in the balance sheet.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 30 September 2005.

14. RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES (UNAUDITED)

The financial statements have been prepared in accordance with the provisions of the Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS"). Financial statements prepared in accordance with FRS do not materially differ from statements prepared in accordance with U.S. GAAP except in the manner of

presentation.

15. COMPARATIVE FIGURES

There are no comparative figures as this is the first year in which consolidated financial statements have been prepared.

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

LETTER OF DISCLAIMER

The additional information contained on schedule (1)&(2) have been prepared from the books and records of the Company and do not form part of the audited financial statements.

Singapore, 30 September 2005

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

Schedule (1)

SUPPLEMENTARY PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

| | | 2004 |
|--|-------------|-------------|
| | | US\$ |
| REVENUE | | 5,751,318 |
| Less: COST OF SALES | | |
| Opening stock and work in progress | 496,833 | |
| Purchases | 2,792,610 | |
| Subcontract | 249,571 | |
| Hire of equipment | 107,259 | |
| Carriage | 158,031 | |
| Less: closing stock and work in progress | (1,096,070) | 2,708,234 |
| GROSS PROFIT | | 3,043,084 |
| OTHER INCOME | | |
| Interest income | | 449 |
| Miscellaneous | | 12,506 |
| | | 12,955 |
| Less: OPERATING EXPENSES | | (2,380,423) |
| PROFIT/(LOSS) for the year | | |
| before income tax | | (2,367,468) |

This schedule contains additional information referred to in our
Letter of Disclaimer dated **30 September 2005**

SEAMAP INTERNATIONAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

Schedule (2)

SUPPLEMENTARY PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

| | 2004 |
|---|------------------|
| | US\$ |
| OPERATING EXPENSES | |
| Advertisement, exhibitions & promotion expenses | 17,991 |
| Accounting fee | 24,847 |
| Bank charges | 7,221 |
| Commission | 13,348 |
| Depreciation | 70,501 |
| Director's remuneration | 184,181 |
| Difference in exchange | 15,235 |
| Entertainment | 30,969 |
| Hire purchase interest | 1,053 |
| Insurance | 25,665 |
| Legal & professional fees | 15,995 |
| Loss on disposal of fixed assets | 86 |
| Membership & subscription | 558 |
| Miscellaneous expenses | 6,228 |
| Printing & stationery | 26,241 |
| Repairs & maintenance | 11,371 |
| Rent | 100,678 |
| Staff Salaries | 1,551,062 |
| Staff training & welfare | 48,093 |
| Telephone & fax | 28,535 |
| Travelling & subsistence | 159,795 |
| Utilities | 40,770 |
| | 2,380,423 |

This schedule contains additional information referred to in our
Letter of Disclaimer dated **30 September 2005**

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined financial statements have been prepared assuming the acquisition of Seemap is accounted for as a purchase under U.S. generally accepted accounting principles, and are based on the historical consolidated financial statements of each company which include, in the opinion of management, all adjustments necessary to present fairly the results as of and for such periods. However, the unaudited pro forma condensed combined financial statements do not give consideration to the impact, if any, of asset dispositions or cost savings that may result from the acquisition. The following unaudited pro forma condensed combined balance sheet at January 31, 2005, and unaudited pro forma condensed combined statements of operations for the year ended January 31, 2005 should be read in conjunction with the historical financial statements of Mitcham and Seemap and the related notes. The unaudited pro forma condensed combined financial statements were prepared as if the acquisition occurred as of, or at the beginning of, each period presented. There are no significant adjustments required to the historical financial data to conform the accounting policies of the two companies unless described herein.

The unaudited pro forma condensed combined financial statements are presented for informational purposes only and are not necessarily indicative of results of operations or financial position that would have occurred had the transaction been consummated at the beginning of the period presented, nor are they necessarily indicative of future results.

**MITCHAM INDUSTRIES, INC. SEAMAP, INTERNATIONAL HOLDINGS PTE. LTD.
UNAUDITED PROFORMA CONDENSED COMBINED BALANCE SHEET**

| | January 31, 2005 | | | |
|--|------------------|----------|----------------|-----------|
| | Historical | | | Pro Forma |
| | Mitcham | SeaMap | Adjustments | Combined |
| | | | (In thousands) | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 13,138 | \$ 1,402 | \$ (2,916) (A) | \$ 11,624 |
| Accounts receivable, net | 6,021 | 688 | | 6,709 |
| Current portion of notes receivable, net | 1,192 | | | 1,192 |
| Inventories | | 1,096 | | 1,096 |
| Prepaid expenses and other current assets | 705 | | | 705 |
| Current assets of discontinued operations | 393 | | | 393 |
| Total current assets | 21,449 | 3,186 | (2,916) | 21,719 |
| Seismic equipment lease pool, property and equipment | 74,792 | 592 | | 75,384 |
| Accumulated depreciation of seismic equipment lease pool, property and equipment | (55,067) | (510) | | (55,577) |
| Long-term assets of discontinued operations | 216 | | | 216 |
| Other assets | 5 | | 5,343(A) | 5,348 |
| Total assets | \$ 41,395 | \$ 3,268 | \$ 2,427 | \$ 47,090 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 4,893 | \$ 2,689 | \$ | \$ 7,582 |
| Current maturities - long-term debt | 918 | | | 918 |
| Income taxes payable | 284 | | | 284 |
| Deferred revenue | 652 | | | 652 |
| Wages payable | 299 | | | 299 |
| Accrued expenses and other current liabilities | 458 | 3 | 39(A) | 500 |
| Current liabilities of discontinued operations | 14 | | | 14 |
| Total current liabilities | 7,518 | 2,692 | 39 | 10,249 |
| Long-term debt | | 3 | 3,000(A) | 3,003 |
| Total liabilities | 7,518 | 2,695 | 3,039 | 13,252 |
| Shareholders' equity: | | | | |
| Preferred stock | | | | |
| Common stock | 99 | | | 99 |
| Additional paid-in capital | 62,702 | 419 | (419) | 62,702 |
| Treasury stock, at cost | (4,686) | | | (4,686) |
| Deferred compensation | (94) | | | (94) |
| Accumulated deficit(retained earnings) | (26,282) | 154 | (193)(A) | (26,321) |

Edgar Filing: MITCHAM INDUSTRIES INC - Form 8-K/A

| | | | | |
|--|-----------|----------|----------|-----------|
| Accumulated other comprehensive income | 2,138 | | | 2,138 |
| Total shareholders' equity | 33,877 | 573 | (612) | 33,838 |
| Total liabilities and shareholders' equity | \$ 41,395 | \$ 3,268 | \$ 2,427 | \$ 47,090 |

**MITCHAM INDUSTRIES, INC. SEAMAP, INTERNATIONAL HOLDINGS PTE. LTD.
UNAUDITED PROFORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

Year Ended January 31, 2005
Historical

| | Mitcham | SeaMap | Adjustments | Pro Forma Combined |
|---|---------------------------------------|--------|-------------|--------------------------|
| | (In thousands, except per share data) | | | |
| Revenues: | | | | |
| Equipment leasing | \$ 17,086 | \$ | \$ | \$ 17,086 |
| Equipment sales | 9,282 | 5,686 | | 14,968 |
| Total revenues | 26,368 | 5,686 | | 32,054 |
| Costs and expenses: | | | | |
| Direct costs seismic leasing | 1,644 | | | 1,644 |
| Cost of equipment sales | 4,626 | 2,643 | | 7,269 |
| General and administrative | 6,969 | 2,379 | | 9,348 |
| Provision for doubtful accounts | 155 | | | 155 |
| Depreciation and amortization | 10,596 | | | 10,596 |
| Total costs and expenses | 23,990 | 5,022 | | 29,012 |
| Operating income | 2,378 | 664 | | 3,042 |
| Other income (expense) net | (52) | 12 | (150) (B) | (190) |
| Income from continuing operations before income taxes | 2,326 | 676 | (150) | 2,852 |
| Provision (benefit) for income taxes | 277 | 112 | | 389 |
| Income from continuing operations | 2,049 | 564 | (150) | 2,463 |
| Income from discontinued operations, net of income taxes of \$0 | 80 | | | 80 |
| Net income | \$ 2,129 | \$ 564 | \$ (150) | \$ 2,543 |
| Income per common share from continuing operations | | | | |
| Basic | \$ 0.23 | \$ | \$ | \$ 0.32 |

Edgar Filing: MITCHAM INDUSTRIES INC - Form 8-K/A

| | | | | |
|---|---------|----|----|---------|
| Diluted | \$ 0.22 | \$ | \$ | \$ 0.31 |
| Net Income per common share | | | | |
| Basic | \$ 0.24 | \$ | \$ | \$ 0.29 |
| Diluted | \$ 0.23 | \$ | \$ | \$ 0.27 |
| Shares used in computing net income per common share: | | | | |
| Basic | 8,849 | | | 8,849 |
| Dilutive effect of common stock equivalents | 455 | | | 455 |
| Diluted | 9,304 | | | 9,304 |

**NOTES TO UNAUDITED PROFORMA
CONDENSED COMBINED FINANCIAL STATEMENTS**

- (A) To record the purchase of SeaMap for \$2.9 million in cash and \$3.0 million issued in promissory notes payable to the former shareholders of SeaMap. This adjusted amount has been reduced from the actual purchase price of \$6.5 million to reflect the increase in net assets of SeaMap from the balance sheet date to the acquisition date of July 12, 2005. The difference between the purchase price and the fair value of assets acquired and liabilities assumed has been recorded as goodwill.

The following is a summary of the preliminary allocations of the aggregate adjusted purchase price to the estimated fair values of the assets acquired and liabilities assumed at the respective date of acquisition (in thousands):

| | | |
|---|----|---------|
| Current assets | \$ | 3,186 |
| Equipment | \$ | 82 |
| Current liabilities | | (2,692) |
| Long term debt | | (3) |
| Goodwill | | 5,304 |
| Acquisition costs | \$ | 39 |
| | | |
| Excess of purchase price over fair value of assets acquired and liabilities assumed | \$ | 5,916 |

Transaction costs of \$39,000 are included in the Unaudited Pro Forma Condensed Combined Balance Sheet. These one-time costs are not reflected in the Unaudited Pro Forma Condensed Combined Statements of Operations since the charges are non recurring in nature.

- (B) To record the increased interest expense associated with the \$3.0 million promissory notes bearing interest at 5 percent issued in connection with the acquisition.

Note: The pro forma results of operations do not include any anticipated combination benefits from the elimination of manufacturing, engineering, sales and administrative costs.

SIGNATURE

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

MITCHAM INDUSTRIES, INC.

Date: October 3, 2005

By: /s/ Michael A. Pugh
Michael A. Pugh
Executive Vice President - Finance and
Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|----------------------------|
| 23.1 | Consent of K. C. Lau & Co. |