AMERON INTERNATIONAL CORP
Form 4
March 27, 2007

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GIESE THOMAS P
(Last) (First) (Middle)
245 SO. LOS ROBLES AVE
(Street)
PASADENA, CA 91101
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AMERON INTERNATIONAL CORP [AMN]

3. Date of Earliest Transaction (Month/Day/Year)
03/26/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
V. P., Water Trans. Grp.

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/26/2007		F		1,192 (1)	D	$ 66.32	14,718	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIESE THOMAS P 245 SO. LOS ROBLES AVE PASADENA, CA 91101			V. P., Water Trans. Grp.	

Signatures

/s/ Cynthia A. Iwasaki, Power of Attorney	03/27/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents shares surrendered to pay taxes applicable to the vesting of restricted shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. e included in this proxy statement and incorporated by reference into Mitcham Industries, Inc. s Annual Report on Form 10-K for the fiscal year ended January 31, 2007.

Respectfully submitted by the Compensation Committee,

Peter H. Blum (Chairman)
R. Dean Lewis
John F. Schwalbe

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EXECUTIVE COMPENSATION

Summary Compensation

The following table summarizes, with respect to our Named Executive Officers, information relating to the compensation earned for services rendered in all capacities. Our Named Executive Officers consist of our four current executive officers, including our Chief Executive Officer and Chief Financial Officer. In addition, our former Executive Vice President and Chief Financial Officer is included.

Summary Compensation Table for the Year Ended January 31, 2007

Name and Principal Position	Fiscal Year Ended January 31,	Salary ($)	Bonus ($)	Stock Awards[1] ($)	Option Awards[2] ($)	All Other Compensation ($)	Total ($)
Billy F. Mitcham, Jr. *President and Chief Executive Officer*	2007	322,500	79,794	52,447	330,601	75,139[3]	860,481
Robert P. Capps *Executive Vice President and Chief Financial Officer*[4]	2007	105,449	4,503		277,469[5]	12,500[6]	399,921
Paul Guy Rogers *Vice President Business Development*	2007	170,833	29,889	19,716	93,229		313,667
Guy Malden *Vice President Marine Systems*	2007	167,833	29,368	17,545	92,451		307,197
Michael A. Pugh *Former Executive Vice President and Chief Financial Officer*[7]	2007	66,667		640	14,937	40,000[8]	122,244

(1) This column includes the dollar amount of compensation expense we recognized for the fiscal year ended January 31, 2007 in accordance with FAS 123R. Pursuant to the Securities and Exchange Commission s rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting

conditions. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by our Named Executive Officers. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements for the fiscal year ended January 31, 2007 included in our Annual Report on Form 10-K. The awards for which compensation expense was recognized consist of awards granted on (a) March 31, 2006 to Messrs. Mitcham, Pugh, Rogers and Malden; (b) July 17, 2003 to Messrs. Mitcham and Rogers; (c) January 31, 2005 to Messrs. Mitcham, Rogers and Malden; and (d) September 11, 2006 and July 17, 2003 to Messrs. Mitcham, Rogers and Malden. See Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table below for a description of the material features of these awards.

(2) This column includes the dollar amount of compensation expense we recognized for the fiscal year ended January 31, 2007 in accordance with FAS 123R. Pursuant to the Securities and Exchange Commission s rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by our Named Executive Officers. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements for the fiscal year ended January 31, 2007 included in our Annual Report on Form 10-K. The awards for which compensation expense was recognized consist of awards granted on (a) March 31, 2006 to Messrs. Mitcham, Pugh, Rogers and Malden; (b) June 26, 2006 and July 21, 2005 to Mr. Capps; (c) January 31, 2005 to Messrs. Mitcham, Rogers and Malden; and (d) July 17, 2003 to Messrs. Mitcham and Rogers. See Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table below for a description of the material features of these awards.

(3) Includes life insurance premiums of $69,000, automobile costs and country club dues. Automobile costs are determined by multiplying the Alternative Leave Value, as published by the Internal Revenue Service, by the percentage of personal use mileage versus total mileage for the year.

(4) Mr. Capps has served as a member of our Board since July 2004. On June 26, 2006, he assumed the added position of Executive Vice President and Chief Financial Officer.

(5) Includes $73,355 related to awards made in connection with Mr. Capps role as a director before he became an executive officer.

(6) Represents Fees Earned or Paid in Cash to Mr. Capps as a member of our Board for the period prior to his becoming an executive officer.

(7) Mr. Pugh resigned as Executive Vice President and Chief Financial Officer effective June 23, 2006.

(8) Represents amounts paid pursuant to a Separation Agreement and Release entered into between us and Mr. Pugh in connection with his resignation.

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Grants of Plan-Based Awards

The following table provides information concerning each grant of an award made to our Named Executive Officers under any plan, including awards, if any, that have been transferred.

Grants of Plan-Based Awards for the Year Ended January 31, 2007

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Billy F. Mitcham, Jr.	3-31-06		50,000	16.64	532,816
	3-31-06	7,500		16.64	124,800
	9-11-06	9,000		10.59	95,310
Robert P. Capps[1]	6-26-06		80,000	12.57	669,052
Paul Guy Rogers	3-31-06		15,000	16.64	159,481
	3-31-06	2,000		16.64	33,280
	9-11-06	6,000		10.59	63,540
Guy Malden	3-31-06		15,000	16.64	159,481
	3-31-06	2,000		16.64	33,280
	9-11-06	6,000		10.59	63,540
Michael A. Pugh[2]	3-31-06	500		16.64	8,320
	3-31-06		5,000	16.64	50,707

(1) Mr. Capps has served as a member of our Board since July 2004. On June 26, 2006, he assumed the added position of Executive Vice President and Chief Financial Officer.

(2) Mr. Pugh resigned as Executive Vice President and Chief Financial Officer effective June 23, 2006. Pursuant to a Separation Agreement and Release entered into in connection with Mr. Pugh s resignation, all restrictions related to 500 shares of restricted stock lapsed as of the date of resignation and vesting for options for the purchase of 5,000 shares of stock were accelerated to the date of resignation.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

The following is a discussion of material factors necessary to an understanding of the information disclosed in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Long-Term Equity-Based Incentive Compensation

In March 2006, the Compensation Committee granted Messrs. Mitcham, Rogers, Malden and Pugh a combination of stock options and restricted stock pursuant to our Stock Awards Plan. In June 2006, the Compensation Committee granted Mr. Capps stock options upon his appointment as our Chief Financial Officer. For a description of the grants, including the vesting schedule for the stock options and the dates that the restrictions lapse on the restricted stock, please see Compensation Discussion and Analysis Elements of Our Executive Compensation Program Long-Term Equity-Based Incentives.

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Salary and Cash Incentive Awards in Proportion to Total Compensation

The following table sets forth the percentage of each Named Executive Officer s total compensation that we paid in the form of base salary and annual cash incentive awards.

Name	Percentage of Total Compensation
Billy F. Mitcham, Jr.	46%
Robert P. Capps[1]	28%
Paul Guy Rogers	63%
Guy Malden	64%
Michael A. Pugh[2]	86%

(1) Mr. Capps has served as a member of our Board since July 2004. On June 26, 2006, he assumed the added position of Executive Vice President and Chief Financial Officer.

(2) Mr. Pugh resigned as Executive Vice President and Chief Financial Officer effective June 23, 2006. Pursuant to a Separation Agreement and Release entered into in connection with Mr. Push s resignation, a significant portion of his compensation for the fiscal year ended January 31, 2007 was paid in cash.

Employment Agreement with Billy F. Mitcham, Jr.

Effective January 15, 1997, we entered into an employment agreement with Mr. Mitcham for a term of five years, beginning January 15, 1997, which term is automatically extended for successive one-year periods unless either party gives written notice of termination at least 30 days prior to the end of the current term. The agreement provides for an annual salary of $150,000 subject to increase by our Board. It may be terminated prior to the end of the initial term or any extension thereof if (1) Mr. Mitcham dies; (2) it is determined that Mr. Mitcham has become disabled; or (3) our Board determines that Mr. Mitcham has breached the employment agreement in any material respect, has appropriated a material business opportunity of ours or has engaged in fraud or dishonesty with respect to our business that is punishable by imprisonment. If Mr. Mitcham s employment is terminated by us prior to the end of the initial five-year term other than for a reason enumerated above, Mr. Mitcham will be entitled to payments equal to three times his annual salary payable ratably over the 24 months following his termination. As of January 31, 2007, the payments would amount to $1,050,000. For a period of two years after the termination of the agreement, Mr. Mitcham is prohibited from engaging in any business activities that are competitive with our business and from diverting any of our customers to a competitor.

Appointment of Robert P. Capps

On June 26, 2006, our Board appointed Robert P. Capps as Executive Vice President and Chief Financial Officer. Mr. Capps received a base salary of $175,000 per year (pro rated). Mr. Capps was granted options to purchase 80,000 shares of our common stock upon his employment. The options vest over a four year period beginning with the first anniversary of the grant date.

Severance Arrangement with Michael A. Pugh

Effective June 23, 2006, Michael A. Pugh, Executive Vice President and Chief Financial Officer, resigned from those positions with us. At the time of his resignation, Mr. Pugh entered into a Separation Agreement and Release with us, pursuant to which he received monthly payments in the amount of $13,333.32 and continued medical coverage (valued at approximately $1,265 per month) for each of July, August and September 2006, subject to applicable withholding. In addition, the agreement provided for the accelerated vesting of 5,000 unvested stock options, having a fair market value as of June 23, 2006, of $0 (the options were underwater as of such date) and amended the award agreement with respect to those options to provide that they were exercisable until December 31, 2006.

In addition, Mr. Pugh released us from all claims related to his employment and the termination of his employment.

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Outstanding Equity Awards Value at Fiscal Year-End Table

The following table provides information concerning unexercised options, stock that has not vested, and equity incentive plan awards for our Named Executive Officers.

Outstanding Equity Awards as of January 31, 2007

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**
Billy F. Mitcham, Jr.	15,000		22.00	10-03-07		
	70,500		3.56	2-23-09		
	45,000		5.13	7-27-10		
	80,000		5.00	7-18-11		
	30,000		1.90	7-17-13		
	85,000		1.99	8-15-12		
	25,000		4.16	7-13-14		
	33,333	16,667[1]	6.18	1-31-15		
		50,000[2]	16.64	3-31-16		
					16,500[3]	222,585
Robert P. Capps[4]	25,000		8.98	7-21-15		
		80,000[5]	12.57	6-26-16		
Paul Guy Rogers	10,000		4.60	10-23-11		
	20,000		1.99	8-15-12		
	12,500		1.90	7-7-13		
	6,667	3,333[1]	6.18	1-31-15		
		15,000[2]	16.64	3-31-16		
					8,000[6]	107,920
Guy Malden	6,667	3,333[1]	6.18	1-31-15		
		15,000[2]	16.64	3-31-16		
					8,000[6]	107,920

Michael A. Pugh[7]

(1) Vests on January 31, 2008.

(2) Vests one-third on March 31, 2007, one-third on March 31, 2008 and one-third on March 31, 2009.

(3) Vests as follows: 2,500 shares on March 31, 2007; 3,000 shares on September 11, 2007; 2,500 shares on March 31, 2008; 3,000 shares on September 11, 2008; 2,500 shares on March 31, 2009; and 3,000 shares on September 11, 2009.

(4) Mr. Capps has served as a member of our Board since July 2004. On June 26, 2006, he assumed the added position of Executive Vice President and Chief Financial Officer.

(5) Vests 25% annually commencing June 26, 2007.

(6) Vests as follows: 666 shares on March 31, 2007; 2,000 shares on September 11, 2007; 667 shares on March 31, 2008; 2,000 shares on September 11, 2008; 667 shares on March 31, 2009; and 2,000 shares on September 11, 2009.

(7) Mr. Pugh resigned as Executive Vice President and Chief Financial Officer effective June 23, 2006. Pursuant to a Separation Agreement and Release, all restrictions related to 500 shares of restricted stock lapsed as of the date of resignation and vesting for options for the purchase of 5,000 shares of stock were accelerated to the date of resignation.

Option Exercises and Stock Vested

The following table provides information concerning each exercise of stock option and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during the fiscal year ended January 31, 2007 on an aggregated basis with respect to each of our Named Executive Officers.

Option Exercises and Stock Vested for the Year Ended January 31, 2007

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Billy F. Mitcham, Jr.	9,000	54,630	6,000	70,200
Robert P. Capps[1]				
Paul Guy Rogers			2,500	29,250
Guy Malden				
Michael A. Pugh[2]	20,000	152,400	500	6,575

(1) Mr. Capps has served as a member of our Board since July 2004. On June 26, 2006, he assumed the added position of Executive Vice President and Chief Financial Officer.

(2) Mr. Pugh resigned as Executive Vice President and Chief Financial Officer effective June 23, 2006. The options exercised subsequent to his resignation represent those options vested as of the date of his resignation. Pursuant to a Separation Agreement and Release, all restrictions related to 500 shares of restricted stock previously issued to Mr. Pugh lapsed as of the date of his resignation.

Potential Payments upon Termination or Change in Control

We have entered into arrangements with certain of our Named Executive Officers that provide additional payments and/or benefits upon a change in control of our company and/or in connection with the termination of the Named Executive Officer s employment. The following is a discussion of those arrangements. Unless otherwise provided, the dollar amounts disclosed assume that the triggering event for the payment(s) and/or benefit(s) was December 31, 2006. As a result, the dollar amounts disclosed are merely estimates of the amounts or benefits that would be payable to the Named Executive Officers upon their termination or a change in control of our company. The actual dollar amounts can only be determined at the time of the Named Executive Officer s termination or the change in control.

Equity-Based Plans

Stock options and shares of restricted stock awarded to the Named Executive Officers under our 1998 Amended and Restated Stock Awards Plan and our Stock Awards Plan will become vested and, in the case of stock options, exercisable, upon the Named Executive Officer s death or disability or upon a change in control of our company (as defined in the form nonqualified stock option agreement filed with respect to our Stock Awards Plan). As a result, assuming either of those events occurred on January 31, 2007: (1) Mr. Mitcham s 66,667 unvested stock options (fair market value as of that date of $121,836) and 16,500 shares of restricted stock (fair market value as of that date of $222,585), (2) Mr. Capps 80,000 unvested stock options (fair market value as of such date of $73,600); (3) Mr. Rogers 18,333 unvested stock options (fair market value as of that date of $148,280) and 8,000 unvested shares of restricted stock (fair market value as of that date of $107,920); and (4) Mr. Malden s 18,333 unvested stock options (fair market value as of that date of $23,231) and 8,000 unvested shares of restricted stock (fair market value as of that date of $107,920), would have become fully vested.

Employment Agreement with Billy F. Mitcham, Jr.

Pursuant to our employment agreement with Mr. Mitcham, in the event his employment is terminated by us without cause (as defined in the employment agreement) or he terminates his employment with us within 60 days

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following a constructive termination (as defined in the employment agreement), he will be entitled to a severance payment in an amount equal to three times his annual salary, or $1,050,000, payable in equal monthly payments over a period of 24 months following the date of termination. In addition, if Mr. Mitcham s employment is terminated by us without cause, his options will remain exercisable and will vest and expire in accordance with the terms of the applicable option agreements. As of January 31, 2007, Mr. Mitcham had 66,667 unvested options and 16,500 shares of unvested restricted stock outstanding.

If Mr. Mitcham s employment with us is terminated as a result of his death, all of his outstanding options will become fully vested and exercisable as of the date of his death. All options will expire on the one-year anniversary of his death. Assuming, therefore, that Mr. Mitcham s employment terminated on January 31, 2007 as a result of his death, 66,667 options and 16,500 shares of unvested restricted stock, having a total fair market value as of that date of $344,421, would have become fully exercisable.

If Mr. Mitcham s employment with us is terminated as a result of his disability (as defined in the employment agreement), we will continue to pay to him his base salary (determined as of the date of his disability) for the lesser of (1) six consecutive months, or (2) the period until disability insurance benefits commence under any disability insurance coverage furnished by us to Mr. Mitcham. Under our long-term disability insurance program, coverage commences on the 61st day after the covered employee is unable to perform his or her job functions.

Mr. Mitcham s employment agreement contains standard non-solicitation and non-compete provisions that are effective during the term of the employment agreement and for two years following his date of termination.

Severance Arrangement with Michael A. Pugh

We entered into a Separation Agreement and Release with Mr. Pugh, effective as of August 22, 2006. The agreement provides for Mr. Pugh s resignation effective as of June 23, 2006. The agreement entitled Mr. Pugh to monthly payments in the amount of $13,333.32 and continued medical coverage (valued at approximately $1,265 per month) for each of July, August and September 2006, subject to applicable withholding. In addition, the agreement provided for the accelerated vesting of 5,000 unvested stock options, having a fair market value as of June 23, 2006, of $0 (the options were underwater as of such date) and amended the award agreement with respect to those options to provide that they were exercisable until December 31, 2006.

Mr. Pugh s separation agreement contains a standard non-solicitation clause that is effective for one year following his date of termination (i.e., until June 23, 2007).

DIRECTOR COMPENSATION

Non-Employee Director Compensation

General

Each year, the Compensation Committee reviews the total compensation paid to our non-employee directors and Non-Executive Chairman of our Board. The purpose of the review is to ensure that the level of compensation is appropriate to attract and retain a diverse group of directors with the breadth of experience necessary to perform our Board s duties, and to fairly compensate directors for their service. The review includes the consideration of qualitative and comparative factors. To ensure directors are compensated relative to the scope of their responsibilities, the Compensation Committee considers: (1) the time and effort involved in preparing for Board, committee and management meetings and the additional duties assumed by committee chairs; (2) the level of continuing education required to remain informed of broad corporate governance trends, and material developments and strategic initiatives within our company; and (3) the risks associated with fulfilling fiduciary duties.

The following table sets forth a summary of the compensation we paid to our non-employee directors during the fiscal year ended January 31, 2007. Directors who are our full-time employees receive no compensation for serving as directors.

Director Compensation for the Year Ended January 31, 2007

Name	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	Option Awards[2] ($)	Total ($)
Peter H. Blum	79,000	18,610	292,980	390,590
John F. Schwalbe	35,000		146,490	181,490
R. Dean Lewis	32,000		146,490	178,490

(1) This column includes the dollar amount of compensation expense we recognized for the fiscal year ended January 31, 2007 in accordance with FAS 123R. Pursuant to the Securities and Exchange Commission s rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by our non-employee directors. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements for the fiscal year ended January 31, 2007 included in our Annual Report on Form 10-K. The awards for which compensation expense was recognized consist of an award granted on March 31, 2006 for Mr. Blum.

(2) This column includes the dollar amount of compensation expense we recognized for the fiscal year ended January 31, 2007 in accordance with FAS 123R. Pursuant to the Securities and Exchange Commission s rules

and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by our non-employee directors. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements for the fiscal year ended January 31, 2007 included in our Annual Report on Form 10-K. The awards for which compensation expense was recognized consist of awards granted on January 31, 2005, July 21, 2005, March 31, 2006 and July 27, 2006 to Messrs. Blum, Schwalbe and Lewis. See Equity-Based Compensation below for a brief description of this one-time award.

Retainer/Fees

Each non-employee director receives the following compensation:

- an annual cash retainer fee of $25,000 per year, plus an additional $50,000 for the Non-Executive Chairman of our Board;

- additional cash retainer of $5,000 per year for each member of the Audit Committee, plus an additional $3,000 per year for the chairperson of the Audit Committee; and

- additional cash retainer of $2,000 per year for each member of the Compensation Committee, plus an additional $2,000 per year for the chairperson of the Compensation Committee.

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Equity-Based Compensation

In addition to cash compensation, our non-employee directors are eligible, at the discretion of our full Board, to receive discretionary grants of stock options or restricted stock or any combination thereof under our equity compensation plans. On July 27, 2006, the Compensation Committee awarded options to purchase 30,000 shares of common stock to each non-employee director (except for the Non-Executive Chairman) and options to purchase 60,000 shares to our Non-Executive Chairman pursuant our Stock Awards Plan. The grant was made after a review of the prior compensation of our non-employee directors. The option awards vest over a three year period beginning on the first anniversary of the grant date. Our Non-Executive Chairman was awarded 4,000 shares of restricted stock on March 31, 2006 pursuant to our 1998 Amended and Restated Stock Awards Plan. The restrictions on these shares lapse over three years beginning on the first anniversary of the grant date.

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PROPOSAL 2: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Hein & Associates LLP as our independent registered public accounting firm to conduct our audit for the fiscal year ending January 31, 2008.

The engagement of Hein & Associates LLP has been recommended by the Audit Committee and approved by our Board annually. The Audit Committee has reviewed and discussed the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2007, and has recommended, and our Board has approved their inclusion therein. See Audit Committee Report included elsewhere in this proxy statement.

Although shareholder ratification of the selection of Hein & Associates LLP is not required, the Audit Committee and our Board consider it desirable for our shareholders to vote upon this selection. The affirmative vote of the holders of a majority of the shares entitled to vote at the Annual Meeting is required to approve and ratify the selection of Hein & Associates LLP. Even if the selection is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it believes that such a change would be in the best interests of our shareholders and us.

One or more representatives of Hein & Associates LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. The representatives of Hein & Associates LLP are expected to be available to respond to appropriate questions.

Our Board recommends a vote FOR the ratification of the selection of Hein & Associates LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2008.

FEES AND EXPENSES OF HEIN & ASSOCIATES LLP

The following table sets forth the amount of audit fees, audit-related fees and tax fees billed or expected to be billed by Hein & Associates LLP, our independent registered public accounting firm, for the fiscal years ended January 31, 2006 and January 31, 2007:

	2006	2007
Audit fees[1]	$ 227,100	$ 381,300
Audit-related fees[2]		
Tax fees[3]	78,361	115,948
All other fees[4]	16,127	
Total Fees	$ 321,588	$ 497,248

(1) Includes the annual consolidated financial statement audit, review of quarterly reports on Form 10-Q and other services associated with the audit.

(2) During the indicated periods, our independent registered public accounting firm did not provide us with any services of this nature.

(3) Includes fees and expenses for services primarily related to tax compliance, tax advice and tax planning for certain acquisitions.

(4) Includes fees related to acquisitions and Securities and Exchange Commission matters.

The Audit Committee has pre-approved all audit services and permitted non-audit services provided by the independent registered public accounting firm, and the compensation, fees and terms for such services, for the fiscal year ending January 31, 2007. The Audit Committee also has approved a policy that requires committee pre-approval of the compensation and terms of service for audit services and any permitted non-audit services based on ranges of fees, and any changes in terms, conditions and fees resulting from changes in audit scope or other matters. Any proposed audit or non-audit services exceeding the pre-approved fee ranges require additional pre-approval by the Audit Committee or its chairman.

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AUDIT COMMITTEE REPORT

The Audit Committee was established to implement and to support oversight function of the Board of Directors with respect to the financial reporting process, accounting policies, internal controls and independent registered public accounting firm of Mitcham Industries, Inc.

The Board of Directors, in its business judgment, has determined that each of Messrs. Schwalbe, Lewis and Blum is an independent director, as that term is defined in Rule 4350 of the NASDAQ Marketplace Rules, and meets the Securities and Exchange Commission s additional independence requirements for members of audit committees. In addition, the Board of Directors has determined that each member of the Audit Committee is financially literate and that Mr. Schwalbe has the necessary accounting and financial expertise to serve as chairman. Our Board has determined that Mr. Schwalbe is an audit committee financial expert following a determination that Mr. Schwalbe met the criteria for such designation under the Securities and Exchange Commission s rules and regulations.

In fulfilling its responsibilities, the Audit Committee:

reviewed and discussed the audited financial statements contained in Mitcham Industries, Inc. s Annual Report on Form 10-K for the fiscal year ended January 31, 2007 with management and the independent registered public accounting firm;

discussed with the independent registered public accounting firm the matters required to be discussed by the statement on Auditing Standards No. 61, *Communications with Audit Committees* ;

received from the independent registered public accounting firm the written disclosures and the letter required by Independence Standards Board Statement No. 1, *Independence Discussions with Audit Committees* and discussed the independent registered public accounting firm s independence with the firm; and

considered the compatibility of non-audit services with the independent registered public accounting firm s independence.

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Mitcham Industries, Inc. s Annual Report on Form 10-K for the fiscal year ended January 31, 2007.

The information contained in this Audit Committee Report shall not be deemed to be soliciting material to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Respectfully submitted by the Audit Committee,

John F. Schwalbe (Chairman)
R. Dean Lewis
Peter H. Blum

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ANNUAL REPORT

Our Annual Report covering the fiscal year ended January 31, 2007 accompanies this proxy statement. Except for the financial statements included in the Annual Report that are specifically incorporated by reference herein, the Annual Report is not incorporated in this proxy statement and is not to be deemed part of this proxy soliciting material. Additional copies of the Annual Report are available upon request.

OTHER MATTERS

As of the date hereof, our Board knows of no other business to be presented at the Annual Meeting. If any other matter properly comes before the meeting, however, it is intended that the persons named in the accompanying proxy will vote the proxy in accordance with the discretion and instructions of our Board.

SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

Pursuant to the Securities and Exchange Commission s rules and regulations, shareholders interested in submitting proposals for inclusion in our proxy materials and for presentation at our 2008 Annual Meeting of Shareholders may do so by following the procedures set forth in Rule 14a-8 under the Exchange Act. In general, shareholder proposals must be received by our Corporate Secretary at Mitcham Industries, Inc., P.O. Box 1175, Huntsville, Texas 77342-1175 no later than February 2, 2008 to be eligible for inclusion in our proxy materials.

In addition, shareholders may present business at a shareholder meeting without having submitted the proposal pursuant to Rule 14a-8 as discussed above. For business to be properly brought or nominations of persons for election to our Board to be properly made at the time of our 2008 Annual Meeting of Shareholders, notice must be received by our Corporate Secretary at the address in the preceding paragraph by April 17, 2008.

Detailed information for submitting shareholder proposals is available upon written request to our Corporate Secretary at Mitcham Industries, Inc., P.O. Box 1175, Huntsville, Texas 77342-1175.

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MITCHAM INDUSTRIES, INC.
8141 SH 75 SOUTH
HUNTSVILLE, TX 77340

VOTE BY INTERNET www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by Mitcham Industries, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

VOTE BY PHONE 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:	MITCH1	KEEP THIS PORTION FOR YOUR RECORDS
		DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

MITCHAM INDUSTRIES, INC.
THE BOARD OF DIRECTORS RECOMMENDS A VOTE <u>FOR</u> PROPOSALS (1) AND (2)

(1) ELECTION OF DIRECTORS

1. Billy F. Mitcham, Jr.
2. Peter H. Blum
3. Robert P. Capps
4. R. Dean Lewis
5. John F. Schwalbe

For All	Withhold All	For All Except
¡	¡	¡

To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.

(2) RATIFICATION OF THE SELECTION OF HEIN & ASSOCIATES, LLP AS MITCHAM INDUSTRIES, INC. S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JANUARY 31, 2008.

For	Against	Abstain
¡	¡	¡

IMPORTANT: please sign exactly as your name or names appear(s) on this proxy, and when signing as an attorney, executor, administrator, trustee or guardian, give your full title as such. If the signatory is a corporation, sign the full corporate name by duly authorized officer, or if a partnership, sign in partnership name by authorized person.
IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND MAIL PROMPTLY THE ACCOMPANYING PROXY CARD IN THE ENCLOSED RETURN ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. THIS WILL ENSURE THE PRESENCE OF A QUORUM AT THE MEETING. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE PREVIOUSLY SENT IN YOUR PROXY CARD.

	Yes	No
Please indicate if you plan to attend the Annual Meeting.	¡	¡

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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MITCHAM INDUSTRIES, INC.
PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD ON THURSDAY, JULY 12, 2007

The undersigned hereby constitutes and appoints Billy F. Mitcham, Jr. and Peter H. Blum, and each of them, the attorneys and proxies of the undersigned with full power of substitution to appear and to vote all of the shares of the common stock of Mitcham Industries, Inc. held of record by the undersigned on May 21, 2007 as if personally present at the Annual Meeting of Shareholders to be held on Thursday July, 12 2007 and any adjournment or postponement thereof, as designated on the reverse.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF MITCHAM INDUSTRIES, INC. THE PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR EACH OF THE PROPOSALS LISTED ON THE REVERSE AND ACCORDING TO THE DISCRETION OF THE PROXY HOLDERS ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING. THIS PROXY REVOKES ALL PREVIOUSLY SIGNED PROXIES.

YOU ARE URGED TO DATE, SIGN AND RETURN PROMPTLY THIS PROXY IN THE ENVELOPE PROVIDED. IT IS IMPORTANT FOR YOU TO BE REPRESENTED AT THE ANNUAL MEETING. THIS PROXY MUST BE RECEIVED BY MAIL IN THE POSTAGE-PAID ENVELOPE PROVIDED OR ELECTRONICALLY VIA THE INTERNET AT www.proxyvote.com OR BY PHONE AT +1 800 690 6903 PRIOR TO 11.59 PM EASTERN DAYLIGHT SAVING TIME THE DAY BEFORE THE MEETING DATE.