

For the three month period ended March 31, 2008

Q1

Financial Highlights

(\$000s except per share data and number of shares)

	3 months ended March 31, 2008 (unaudited)	3 months ended March 31, 2007 (unaudited)	Year ended December 31, 2007
Revenue from continuing operations:			
Data library sales	\$ 7,829	\$ 10,623	\$ 41,215
Participation surveys	-	-	3,010
Total revenue from continuing operations	\$ 7,829	\$ 10,623	\$ 44,225
Amortization of seismic data library	\$ 6,646	\$ 6,288	\$ 28,345
Net earnings (loss) from continuing operations	\$ (1,009)	\$ 837	\$ 2,511
Net earnings (loss) from continuing operations per share:			
Basic and diluted	\$ (0.02)^(a)	\$ 0.02	\$ 0.05
Loss for the period	\$ (1,441)	\$ (470)	\$ (4,982)
Loss per share:			
Basic and diluted	\$ (0.03)^(a)	\$ (0.01) ^(a)	\$ (0.10) ^(a)
Funds from continuing operations ^(b)	\$ 5,456	\$ 7,850	\$ 31,208
Funds from continuing operations per share ^(b) :			
Basic and diluted	\$ 0.10	\$ 0.16	\$ 0.61
Cash EBITDA ^(b)	\$ 5,892	\$ 8,715	\$ 33,038
Working capital:			
Cash	\$ 8,964	\$ 9,213	\$ 6,528
Non-cash working capital	10,823	4,410	13,735
Current portion of long-term debt	(8,004)	(8,004)	(8,004)
Total working capital	\$ 11,783	\$ 5,619	\$ 12,259
Total assets	\$ 118,725	\$ 126,682	\$ 124,473
Capital expenditures:			
Seismic data purchases	\$ -	\$ -	\$ 11,738
Participation surveys	-	-	6,979
Property & equipment additions	350	74	422
Total capital expenditures	\$ 350	\$ 74	\$ 19,139
Total long-term debt	\$ 29,578	\$ 37,451	\$ 31,547
Shareholders' equity	\$ 74,916	\$ 73,640	\$ 79,174
Weighted average shares outstanding:			
Basic	54,448,918	47,929,831	50,828,071
Diluted	54,833,580	48,372,833	51,378,310
Shares outstanding at period end	54,437,489	47,935,342	54,481,601

^(a) Basic weighted average shares outstanding are used to calculate loss per share.

^(b) These non-GAAP financial measures are defined in the Management's Discussion and Analysis section of this Quarterly Report.

Operational Highlights

SEISMIC LIBRARY:

2D in net kilometres	257,281	257,216	257,281
3D in net square kilometres	11,607	9,823	11,607

Management's Discussion and Analysis of Financial Condition and Results of Operations

THREE MONTHS ENDED MARCH 31, 2008

The following Management's Discussion and Analysis (MD&A) for Pulse Data Inc. ("Pulse" or "the Corporation") has been prepared taking into consideration information available to May 6, 2008 and is supplemental to the unaudited consolidated financial statements and related notes for the three months ended March 31, 2008 and the audited consolidated financial statements for the year ended December 31, 2007. The financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP).

This MD&A focuses on key statistics from the consolidated financial statements, and pertains to known risks and uncertainties relating to the seismic industry. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions, as well as oil and natural gas prices, provincial royalty rates, industry activity levels, and the ability of oil and natural gas companies to raise capital. Additionally, other circumstances may occur which could impact the licensing of seismic data.

The Corporation's continuous disclosure documents provide discussion and analysis of "cash EBITDA", "funds from operations" and "funds from operations per share". These financial measures do not have standard definitions prescribed by GAAP and, therefore, may not be comparable to similar measures disclosed by other companies. The Corporation has included these non-GAAP financial measures because management, investors, analysts and others use them as measures of the Corporation's financial performance. The Corporation's definition of cash EBITDA is cash available for interest payments, cash taxes if applicable, debt servicing, discretionary capital expenditures and the payment of dividends, and is calculated as earnings before interest, taxes, depreciation and amortization less participation survey revenue, plus non-cash and non-recurring G&A expenses. The Corporation's definition of funds from operations is cash flow from operations as prescribed by GAAP but excluding the impact of changes in non-cash working capital. Funds from operations per share is defined as funds from operations divided by the weighted average number of shares outstanding for the period.

Certain information contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Investors are encouraged to review the Risk Factors section of this MD&A for a discussion of risks that could affect the Corporation's operations and financial results. Forward-looking statements are based upon management's assumptions, expectations and estimates at the time that such statements are made. Pulse does not update forward-looking statements should circumstances change or management's assumptions, expectations or estimates change, except as required by securities laws.

OVERVIEW

Pulse is a market leader in the acquisition, marketing and licensing of 2D and 3D seismic data for the Western Canadian energy sector. Pulse owns the second-largest licensable seismic data library in Canada, currently consisting of approximately 257,300 net kilometres of 2D seismic and 11,600 net square kilometres of 3D seismic.

On March 5, 2007 the Corporation announced that it was initiating a process to review strategic alternatives for its Terrapoint business unit. Subsequently the Corporation developed a formal plan to sell the Terrapoint business unit. Two wholly-owned subsidiaries of Pulse, Terrapoint Canada Inc. and Terrapoint USA Inc., are therefore categorized as assets held for sale in the March 31, 2008 financial statements, as required by GAAP. Accordingly, this MD&A focuses on Pulse's continuing operations, which is the seismic business. On April 1, 2008, Pulse announced that it had signed a definitive agreement to sell its Terrapoint business unit. The definitive agreement provides for an effective date of March 31, 2008. It is subject to a number of conditions, including the completion of the purchaser's financing, the receipt of required government approvals and the receipt of required third-party consents. Terms of the agreement, including the purchase price, will be announced upon closing.

Seismic data library sales for the three months ended March 31, 2008 was \$7.8 million compared to the record \$10.6 million for the first quarter of 2007. In both periods total seismic revenue was comprised entirely of seismic data library sales as no participation surveys were delivered during either first quarter.

The net loss from continuing operations for the three months ended March 31, 2008 was \$1.0 million (\$0.02 per share basic and diluted), compared to net earnings from continuing operations of \$837,000 (\$0.02 per share basic and diluted) for the same period in 2007. This decrease was due primarily to two factors. First, seismic data library sales were down 26.3 percent due to the effects of oil and natural gas companies assessing the impact of the new Alberta royalty program on their operations and capital expenditures. Second, there was an increase in the non-cash amortization expense in the three-month period ended March 31, 2008 over the same period in 2007, resulting from significant seismic data acquisitions in 2007 and 2006.

For the first quarter of 2008 the loss from discontinued operations net of income taxes was \$432,000, compared to a loss of \$1.3 million for the same period in 2007. The most significant items affecting the Terrapoint business unit's results in the first quarter of 2008 were an increase in revenue of \$1.3 million, partially offset by a \$207,000 write-down of Terrapoint's assets, and increased general and administrative costs relating to the pending sale of the Terrapoint business unit.

The loss for the three months ended March 31, 2008 was \$1.4 million (\$0.03 per share basic and diluted) compared to a loss of \$470,000 (\$0.01 per share basic and diluted) for the same period in 2007. The main factors contributing to the increase in the loss were lower seismic data library sales and increased seismic data library amortization expense as noted above, partially offset by decreased income tax expense

and a decreased loss from discontinued operations. When calculating the loss per share for the three months ended March 31, 2008 and 2007, the basic number of shares outstanding was utilized as using diluted shares would have the effect of inappropriately decreasing the loss per share.

Funds from continuing operations for the first three months of 2008 totalled \$5.5 million (\$0.10 per share basic and diluted) compared to \$7.9 million (\$0.16 per share basic and diluted) for the first three months of 2007. Funds from operations per share for the respective periods are based on the weighted average shares outstanding of 54,448,918 (diluted – 54,833,580) for the first three months of 2008, compared to 47,929,831 (diluted – 48,372,833) for the comparable period of 2007.

Cash EBITDA for the first three months of 2008 was \$5.9 million, compared to cash EBITDA of \$8.7 million for the first three months of 2007. This 32.4 percent period-over-period decrease in cash EBITDA is attributable to the decrease in seismic data library sales.

At March 31, 2008, Pulse had working capital of \$11.8 million (including cash of \$9.0 million) compared to working capital of \$5.6 million (cash of \$9.2 million) at March 31, 2007 and working capital of \$12.3 million (cash of \$6.5 million) at December 31, 2007. In each period working capital includes \$8.0 million of current portion of long-term debt.

During the three months ended March 31, 2008, the Corporation purchased and cancelled 178,300 common shares under its normal course issuer bid at an average price of \$2.59 per share, for a total cost of \$462,000. Subsequent to the end of the first quarter of 2008 the Corporation purchased and cancelled 1,280,900 common shares at an average price of \$2.77 per share under the normal course issuer bid for a total cost of \$3.5 million.

Pulse paid its nineteenth consecutive quarterly dividend on April 20, 2008. The dividend was \$0.05 per share.

Subsequent to the end of the first quarter of 2008 the Corporation purchased two seismic data sets totaling 142 net square kilometres of 3D data located within the general Bakken trend of southeast Saskatchewan and also covering portions of the prolific Wild River Field located in northwest Alberta.

REVIEW OF CONTINUING OPERATIONS

Revenue

Revenue from continuing operations includes seismic data library sales and participation survey revenues. No participation surveys were completed in either of the three-month periods. For the three months ended March 31, 2008, seismic data library sales were \$7.8 million, compared to \$10.6 million for the comparable period in 2007. The decrease for the first quarter of 2008 was due to reduced demand from oil and natural gas companies, many of which were assessing the impact of the new Alberta royalty program on their operations and capital expenditures.

Amortization

For the three months ended March 31, 2008, seismic data library amortization expense (a non-cash expense), was \$6.6 million (84.9 percent of seismic revenue), compared to \$6.3 million (59.2 percent of seismic revenue) for the three months ended March 31, 2007. The monthly amortization expense increased due to Pulse's significant investment in new seismic data and participation surveys in 2006 and 2007. Amortization of seismic data is described further under "Critical Accounting Estimates".

Operating Expenses

Operating expenses for continuing operations include items directly related to licensing seismic data. These include sales commissions, salaries for operations and sales personnel, and costs for database management software, mapping, general office expenses and data storage. For the three months ended March 31, 2008, operating expenses accounted for 10.3 percent of seismic revenue, compared to 7.5 percent of seismic revenue in the comparable period of 2007. Operating expenses were unchanged period-over-period at \$800,000 per quarter.

Depreciation Expense

Depreciation expense for the three months ended March 31, 2008 decreased by 14.1 percent to \$61,000 from \$71,000 in the comparable period of 2007. The decrease is due primarily to a significant portion of the Corporation's hardware and software becoming fully depreciated in 2007 and to the sale of certain shared information technology assets from the seismic business unit to the Terrapoint business unit in 2007.

General and Administrative Expense (G&A)

For each three-month period ended March 31, 2008 and 2007, G&A was approximately \$1.3 million.

Corporate Transaction Costs

Corporate transaction costs incurred in the first quarter of 2007 were primarily related to advisory costs incurred by the Corporation in connection with a non-completed merger and acquisition transaction. These advisory costs include legal fees, consulting fees, and Board of Director and Independent Special Committee fees.

Interest Expense

Total net interest expense for the three months ended March 31, 2008 decreased to \$437,000 from \$664,000 for the comparable period in 2007. The decrease was due primarily to the lower balance of long-term debt throughout the quarter and a decrease in the interest rate to 6.9 percent at March 31, 2008.

Income Taxes

The total income tax provision for the three months ended March 31, 2008 was a recovery of \$415,000 due to the loss in the first quarter. This reflects an effective tax rate of 29.1 percent. For the comparable period of 2007 the income tax provision was \$467,000, and reflects an effective tax rate of 35.8 percent.

Data Library

Pulse acquires seismic data to grow its data library through two main methods. The Corporation purchases proprietary rights to complementary seismic data sets when the opportunity arises, and conducts participation surveys. During the first quarter of 2008, Pulse did not purchase any data sets or conduct participation surveys. Subsequent to the end of the first quarter of 2008, Pulse purchased two seismic data sets totalling 142 net square kilometres of 3D seismic data located within the general Bakken trend of southeast Saskatchewan and also covering portions of the prolific Wild River Field located in northwest Alberta. A new manager of surveys was hired in the first quarter of 2008 and work began on planning the 2008 participation survey programs. Pulse currently plans to have crews in the field by June working on its first participation survey of the year.

Future Tax Liability

The net future income tax liability was \$6.5 million at March 31, 2008, a decrease of 5.9 percent from the December 31, 2007 balance of \$7.0 million. This net future income tax liability consists mainly of deferred partnership income and the future tax liability associated with various seismic data libraries, as well as property and equipment of the Corporation having a lower tax value than its corresponding accounting value. These future income tax liabilities are partially offset by future tax assets of the Corporation, including non-capital losses and resource deductions.

Liquidity, Capital Resources and Capital Requirements

At March 31, 2008 the working capital position of Pulse, including the current portion of long-term debt of \$8.0 million, was \$11.8 million, compared to \$12.3 million at December 31, 2007. For the three months ended March 31, 2008 Pulse generated \$5.5 million in funds from continuing operations, had a negative net change in non-cash working capital items relating to continuing operations of \$242,000, and utilized working capital for long-term debt repayment (\$2.0 million) and to finance its Terrapoint business unit (\$191,000). Additionally, the Corporation acquired \$350,000 of property and equipment and purchased \$462,000 of its own shares through its normal course issuer bid program. All of these items resulted in an increase from December 31, 2007 of \$2.4 million to the cash balance of \$9.0 million at March 31, 2008.

Pulse's management expects that the Corporation's funds from operations will be sufficient to finance future operations, service debt, pay dividends and fund the budgeted capital expenditures through 2008. The ongoing growth in the Corporation's seismic data library continues to position Pulse to be a leading provider of valuable seismic data to industry participants well into the future. Historical data sales analysis shows that most seismic data retains its value for many years. Utilizing the recent technological advancements in data reprocessing, the Corporation's clients are able to enhance the quality of older seismic data in the Corporation's library.

Because Pulse's largest expense in any given period is non-cash amortization expense, funds from operations are consistently significantly higher than net earnings. Even though the high fixed amortization expense in the first quarter of 2008, combined with lower seismic data sales contributed to a quarterly loss, the funds from operations of \$5.5 million and cash EBITDA of \$5.9 million show Pulse's ability to finance operations and its growth strategy.

Contractual Obligations

There have not been any significant changes in Pulse's contractual obligations as disclosed in the Corporation's Annual Report for the year ended December 31, 2007.

Cash EBITDA

Pulse's cash EBITDA for the three months ended March 31, 2008 was \$5.9 million, compared to cash EBITDA of \$8.7 million for the three-month period ended March 31, 2007. This decrease of 32.4 percent is attributable to lower seismic data library sales in Q1 2008.

The table below summarizes Pulse's cash EBITDA for the respective three-month periods:

Three months ended March 31, (in thousands of dollars)	2008	2007
Data library sales	7,829	10,623
Participation survey revenue	–	–
Less:		
Operating expenses	803	802
G&A	1,306	1,446
EBITDA	5,720	8,375
Less:		
Participation survey revenue	–	–
Plus:		
Non-cash expenses	172	245
Non-recurring expenses	–	95
Cash EBITDA	5,892	8,715

Related-Party Transactions

The Corporation holds an approximate 50 percent undivided interest in certain 2D seismic data totalling 1,765 net kilometres (approximately 0.7 percent of the Corporation's 2D data library) in which one officer of the Corporation (the Vice-President, Operations & COO) also holds an undivided interest. The related party acquired this data jointly with others prior to Pulse becoming a public corporation and has retained a portion of his ownership interests. The Corporation manages and licenses the seismic data to third parties and earned a sales commission from the related party of \$6,000 for the first quarter of 2008 (first quarter of 2007 – \$36,000).

Critical Accounting Estimates

The capital cost of the seismic data library is amortized by reference to the estimated timing of the economic return of the seismic library. Additions to the seismic library arise in two distinct ways: (i) participation surveys, and (ii) the purchase of other seismic data. The costs associated with participation surveys are amortized at 35 percent immediately upon completion of the program, with the remaining costs being amortized on a straight-line basis over a seven-year period commencing at the end of the period of exclusivity, generally up to six months after such delivery. The costs of purchased data are amortized on a straight-line basis over seven years.

Share Capital Summary

The Corporation's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

The following table provides details of the Corporation's share capital as at March 31, 2008 and March 31, 2007:

Three months ended March 31,	2008	2007
Weighted average shares outstanding:		
Basic	54,448,918	47,929,831
Diluted	54,833,580	48,372,833
Shares outstanding at period-end	54,437,489	47,935,342
Shares outstanding at May 6, 2008	53,313,951	

At March 31, 2008 there were 4,534,416 stock options outstanding at exercise prices ranging from \$0.96 to \$3.05 per share.

At May 6, 2008 there were 4,426,416 stock options outstanding at exercise prices ranging from \$0.96 to \$3.05 per share.

Diluted Earnings (loss) per Share Reconciliation

Diluted earnings per share is computed using the treasury stock method whereby outstanding stock options are only dilutive if, and to the extent that, they are "in the money", and if there are net earnings for the period. In computing diluted loss per share for the three months ended March 31, 2008 and for the three months ended March 31, 2007, and diluted loss per share from continuing operations for the three months ended March 31, 2008, no shares were added to the weighted average number of common shares outstanding for dilution from stock options because the Corporation incurred a loss. The addition of shares relating to stock options to the diluted weighted average number of shares outstanding for these periods would have had the effect of decreasing the loss per share. However, the diluted number of shares outstanding was used to compute diluted earnings per share from continuing operations for the three months ended March 31, 2007.

Stock Appreciation Rights

Stock Appreciation Rights (SARs) have been granted to employees and directors resident in the United States. They have an exercise price equal to the fair market value of the Corporation's shares on the date of grant and have an expiration date five years after the grant date. Vesting is over a three-year period with portions of any grant becoming exercisable at one, two and three years after the grant date.

At March 31, 2008, 148,665 SARs were outstanding at exercise prices ranging from \$2.59 to \$3.05 and having a weighted average remaining life of 3.84 years. The SARs program involves the payment of cash compensation and does not involve the issuance of any common shares of the Corporation.

REVIEW OF DISCONTINUED OPERATIONS

Discontinued operations consist of the Terrapoint business unit.

The loss from discontinued operations for the three months ended March 31, 2008 was \$432,000, compared to a loss of \$1.3 million for the same period in 2007. The detailed results of discontinued operations are included in Note 2 to the Interim Consolidated Financial Statements.

Revenue

LiDAR revenue for the three months ended March 31, 2008 was \$2.1 million compared to \$801,000 for the same period in 2007, an increase of 158.6 percent. LiDAR revenue was higher in the 2008 period due to a significant increase in LiDAR service contracts undertaken in the United States.

Operating Expenses

Included in Terrapoint's operating expenses are the costs associated with generating its LiDAR project revenues. Operating expenses were approximately \$1.8 million for each three-month period ended March 31. The LiDAR business has a high level of fixed costs. Therefore, operating costs as a percentage of revenue were much lower for the first quarter of 2008 than for the same period of 2007, due to the increased sales revenue achieved in the first quarter of 2008.

Amortization and Depreciation

There was no depreciation expense recorded in the Terrapoint business unit for the three months ended March 31, 2008. Comparatively, in the first quarter of 2007 there was \$279,000 of depreciation expense. Because the assets of Terrapoint were classified as assets held for sale as of March 31, 2007, there has been no further depreciation and amortization provision recorded, in compliance with GAAP.

Impairment of LiDAR Assets

Due to the results of the Terrapoint disposition process, it was deemed that the assets of this business unit had decreased in value and, as such, were written down to their estimated net realizable value at September 30, 2007. The impairment loss was adjusted at December 31, 2007 and again at March 31, 2008. The impairment provision for the three months ended March 31, 2008 was \$207,000.

General and Administrative Expenses (G&A)

For the three months ended March 31, 2008, G&A was \$659,000 compared to \$337,000 in the first quarter of 2007. The increase is a result of transaction costs accrued in anticipation of the sale of the Terrapoint business unit with an effective date of March 31, 2008.

Research and Development Expenses (R&D)

The Terrapoint engineering department's activity is divided among new product development; technical support; maintenance; repair and upgrade of the equipment deployed in day-to-day operations; and research and development aimed at improving performance, reliability, ease of use and technical advancement. R&D for the three months ended March 31, 2008 was \$249,000 compared to \$298,000 in the first quarter of 2007. Terrapoint's R&D efforts are focused on developing innovative software and hardware solutions that will provide added value to its expanding client base.

FINANCIAL SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars except per share data)	2008	2007			2006			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Seismic data library sales	7,829	10,995	9,070	10,527	10,623	10,506	6,976	6,634
Participation survey revenue	–	1,310	1,700	–	–	–	–	3,058
Total revenue from continuing operations	7,829	12,305	10,770	10,527	10,623	10,506	6,976	9,692
Seismic data library amortization	6,646	8,478	7,291	6,288	6,288	5,587	5,024	7,284
Net earnings (loss) from continuing operations	(1,009)	1,617	(279)	336	837	1,996	(288)	314
Per share – basic and diluted (from continuing operations) (\$)	(0.02)	0.03	(0.01)	0.01	0.02	0.04	(0.01)	0.01
Net earnings (loss)	(1,441)	305	(4,767)	(50)	(470)	1,339	446	(5,114)
Per share – basic and diluted (\$)	(0.03)	0.00	(0.09)	0.00	(0.01)	0.03	0.01	(0.11)
Dividends declared per share (\$)	0.05	0.05	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375

The contributing revenue streams to Pulse's continuing operations are seismic data library sales and participation survey revenue. Following five straight quarters with over \$10.5 million in total seismic revenue, the first quarter of 2008 was somewhat lower as a result of a decrease in overall spending levels by oil and natural gas companies. In 2007 Pulse set internal records for highest annual seismic data library sales as well as for each of the first three quarters of 2007. In the fourth quarter of 2007 Pulse experienced near-record fourth quarter seismic data library sales, lower only than its record 2005 fourth quarter seismic data library sales. Historically, fourth quarter revenue is usually higher than revenue in the year's other quarters.

While the fourth quarter was the highest revenue quarter in both 2007 and 2006, sales were negatively impacted by government announcements in each period. In 2007 the new Alberta royalty program and the related uncertainty led many Pulse clients to re-evaluate their spending strategies, while in 2006 the federal government's announcement of the future taxation of income trusts beginning in 2011 caused a similar environment of concern.

Nonetheless the Corporation achieved more stable quarterly revenue throughout 2007, indicative of the growth through acquisition of high-quality seismic data as well as active sales and marketing. The achievement of three quarterly records and the annual record during a time when much of the oil and natural gas service industry was experiencing a downturn is evidence of the strength of Pulse's business model, which is built around its valuable seismic data library and strong sales team.

In 2007 and 2006 Pulse concentrated on acquiring data by purchasing pre-owned datasets rather than committing its capital to participation surveys, partially because field acquisition costs were significantly elevated during this time. In 2008, given a more favourable industry cost structure, the Corporation plans to resume a higher level of participation surveys. The effects of seasonality on the timing of participation surveys are changing slightly, and the Corporation expects to conduct participation surveys throughout the year as opportunities arise.

During the past eight fiscal quarters, the fluctuations in net earnings have largely been a function of revenue, amortization and write-downs of LiDAR assets. The quarters with significant participation survey revenue are easily identified. Also, seismic data library sales have a positive impact on earnings. The exception in the second quarter of 2006 was due to the write-down of certain LiDAR capital assets of \$7.6 million, which offset the earnings generated by the seismic business unit. In the third quarter of 2007 the Terrapoint business unit incurred a net loss of \$6.1 million. This again included a write-down attributable to an impairment in the value of certain LiDAR assets.

The net earnings (loss) from continuing operations reflects the seismic business only. In the first quarter of 2008, high seismic data library amortization expense was a major factor contributing to the loss. In each quarter of 2007 the increase in revenues over the same period in 2006 was offset by unplanned corporate transaction costs and increases in amortization expense and interest expense. As amortization expense is a non-cash expense, the Corporation continues to generate strong cash EBITDA.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the internal controls over financial reporting that occurred during the Corporation's most recent interim period that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

RISK FACTORS

Please refer to the Corporation's Annual Report for the year ended December 31, 2007 for a summary of the business risks relating to Pulse's business and operations.

ADDITIONAL INFORMATION

You may find additional information relating to Pulse, including the Corporation's Annual Information Form, on SEDAR at www.sedar.com.

OUTLOOK

Although first-quarter 2008 revenues were down year-over-year, the decline came after an all-time first quarter record in 2007, and first quarter 2008 seismic data sales in fact represented the third-strongest first quarter in Pulse's history. This outcome supports Pulse's view that industry spending on seismic data tends to be less commodity price-sensitive and volatile than other categories of capital spending in the energy services sector. The oil and natural gas industry's initial reaction to the Government of Alberta's announcement in October 2007 of higher oil and natural gas royalties beginning in 2009 was cause for concern, as the lower seismic revenues generated in the first quarter of 2008 were largely attributable to the reduction of capital spending and related reduced industry activity that followed this announcement.

However, Pulse has a positive outlook for the remainder of 2008. Although some uncertainty continues to surround capital expenditure plans of exploration and production companies, counterbalancing this uncertainty are several positive trends. Industry forecasts for the second quarter of 2008 and for the year as a whole are being revised upwards. The Petroleum Services Association of Canada in April raised its drilling forecast for 2008 from 14,500 to 16,500 wells, and some analysts expect the higher figure to be exceeded.

In addition, after a two-year period of weakness, the recovery in natural gas prices began in the first quarter of 2008 and accelerated in the second quarter, with the Nymex natural gas futures price approaching \$11 per mmbtu in late April, 2008. In early April the Government of Alberta announced revisions to its new royalty program that should partially restore deep oil and natural gas drilling incentives. This announcement removed an important element of uncertainty and potentially improves the economics of deep wells drilled in 2009 and beyond. Finally, strong successes experienced in exploratory drilling of several large unconventional natural gas and crude oil plays (including areas in which Pulse provides seismic coverage) are generating industry excitement and motivating new activities by competing companies. All of these factors bode well for seismic library data demand as well as increased demand for new participation surveys.

Overall, Pulse continues to expect that demand for licensed seismic data for the balance of 2008 will be on-trend with prior years. As at April 30, 2008, data library sales year-over-year, are within \$1 million of the April 30, 2007 record seismic data sales level. Combined with growth in the size of the library, this should enable Pulse to generate solid levels of revenue and cash EBITDA in 2008. The Corporation is committed to maintaining a strong balance sheet to continually seek opportunities to grow its seismic data library through strategic data acquisitions and additional participation surveys. The Corporation expects to be working on its first participation survey of 2008 by June. Pulse's 2008 budget also calls for continuing the share buyback program and continuing to pay cash dividends.

Interim Consolidated Financial Statements

INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of dollars) (unaudited)	March 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,964	\$ 6,528
Accounts receivable	13,024	14,686
Prepaid expenses and deposits	770	425
Assets held for sale (note 2)	4,724	5,426
	27,482	27,065
Seismic data library	84,414	91,060
Assets held for sale (note 2)	5,821	5,629
Property and equipment	952	663
Other	56	56
	\$ 118,725	\$ 124,473
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,276	\$ 2,178
Dividends payable	2,722	–
Deferred revenue	2,240	2,897
Current portion of long-term debt (note 3)	8,004	8,004
Liabilities held for sale (note 2)	1,457	1,727
	15,699	14,806
Long-term debt (note 3)	21,574	23,543
Future income taxes	6,536	6,950
Shareholders' equity:		
Share capital (note 4)	72,515	72,463
Contributed surplus (note 4)	1,585	1,508
Retained earnings	816	5,203
	74,916	79,174
Subsequent event (note 5)		
	\$ 118,725	\$ 124,473

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND RETAINED EARNINGS

Three months ended March 31, (in thousands of dollars, except per share data) (unaudited)	2008	2007
Revenue	\$ 7,829	\$ 10,623
Expenses:		
Amortization of seismic data library	6,646	6,288
Operating	803	802
Depreciation and amortization	61	71
Unrealized loss on assets held for trading	–	48
General and administrative expenses	1,306	1,351
Corporate transaction costs	–	95
Interest:		
Long-term debt	549	742
Other	(112)	(78)
	437	664
Earnings (loss) from continuing operations before income taxes	(1,424)	1,304
Income taxes:		
Current	–	69
Future (reduction)	(415)	398
	(415)	467
Net earnings (loss) from continuing operations	(1,009)	837
Loss from discontinued operations, net of income taxes (note 2)	(432)	(1,307)
Loss for the period	(1,441)	(470)
Retained earnings, beginning of period	5,203	19,165
Change in accounting policy	–	322
Normal course issuer bid	(224)	–
Dividends declared	(2,722)	(1,798)
Retained earnings, end of period	\$ 816	\$ 17,219
Earnings (loss) per share from continuing operations, basic and diluted	\$ (0.02)	\$ 0.02
Loss per share, basic and diluted	\$ (0.03)	\$ (0.01)

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, (in thousands of dollars) (unaudited)	2008	2007
Cash provided by (used in):		
Operations:		
Net earnings (loss) from continuing operations	\$ (1,009)	\$ 837
Items not involving cash:		
Amortization of seismic data library	6,646	6,288
Depreciation and amortization	61	71
Unrealized gain on foreign exchange	–	(37)
Unrealized loss on assets held for trading	–	48
Future income taxes	(415)	398
Stock-based compensation	141	208
Other	32	37
	5,456	7,850
Net change in non-cash working capital items related to continuing operations	(94)	4,235
Cash flow from continuing operations	5,362	12,085
Discontinued operations:		
Funds used in discontinued operations	(516)	(1,687)
Additions to property and equipment	–	(2,385)
Net change in non-cash working capital items related to discontinued operations	325	1,073
	(191)	(2,999)
Financing:		
Repayment of long-term debt	(2,001)	(2,001)
Issue of share capital	226	21
	(1,775)	(1,980)
Investing:		
Normal course issuer bid	(462)	–
Additions to property and equipment	(350)	(74)
Net change in non-cash working capital items related to investing	(148)	–
	(960)	(74)
Increase in cash position	2,436	7,032
Cash and cash equivalents, beginning of period	6,528	2,181
Cash and cash equivalents, end of period	\$ 8,964	\$ 9,213

During the first quarter of the year the Corporation paid interest of \$565,000 (first quarter of 2007 – \$779,000) and received interest of \$81,000 (first quarter of 2007 – \$90,000). During the first quarter of the year the Corporation paid income taxes of \$nil (first quarter of 2007 – \$1,441,000).

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements

Information as of March 31, 2008 and for the three months ended March 31, 2008 and 2007 is unaudited.

(Tabular amounts in thousands of dollars, except per share data, and numbers of shares)

Pulse Data Inc. (the "Corporation") is incorporated under the *Canada Business Corporations Act* and is a publicly-traded company listed on the Toronto Stock Exchange (TSX) under the symbol PSD.

1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These interim consolidated financial statements should be read in conjunction with the Corporation's most recent annual financial statements and notes thereto included in the annual report for the year ended December 31, 2007. These interim financial statements follow the same accounting policies and methods as the most recent annual financial statements. The figures for the three months ended March 31, 2007 reflect certain reclassifications to conform with the presentation adopted in 2008.

The results of operations for the three months ended March 31, 2008 are not necessarily indicative of results to be expected for the entire year ending December 31, 2008. The Corporation records participation survey revenue related to its seismic programs. Revenue is recognized upon completion of a program at the time the related data is delivered. These surveys can be conducted at any time during the year.

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On March 5, 2007, the Corporation announced that it was initiating a process to review strategic alternatives for its Terrapoint business unit. On April 1, 2008 the Corporation announced that it had signed a definitive agreement to sell its Terrapoint business unit.

The definitive agreement provides for an effective date of March 31, 2008. It is subject to a number of conditions, including the completion of the purchaser's financing, the receipt of required government approvals and the receipt of required third-party consents. Terms of the agreement, including the purchase price, will be announced upon closing.

2. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED):

Assets and liabilities held for sale as at March 31, 2008 and December 31, 2007 are as follows:

Assets held for sale

	March 31, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	\$ 1,032	\$ 832
Accounts receivable	2,818	3,546
Prepaid expenses	70	59
Work in progress	804	989
	4,724	5,426
Property and equipment	2,198	2,406
Future income taxes	3,623	3,223
	5,821	5,629
	\$ 10,545	\$ 11,055

Liabilities held for sale

Current liabilities:		
Accounts payable	\$ 1,259	\$ 1,321
Deferred revenue	198	406
	\$ 1,457	\$ 1,727

The results of discontinued operations of Terrapoint for the three-month periods ended March 31, 2008 and 2007 are as follows:

Three months ended March 31,	2008	2007
Revenue:	\$ 2,071	\$ 801
Operating expenses:		
Operating	1,757	1,825
Depreciation and amortization	-	279
Impairment of LiDAR assets	207	-
Amortization of LiDAR data library	-	44
General and administrative expenses	659	337
Research and development expenses	249	298
Interest expense	30	26
	2,902	2,809
Loss from discontinued operations before income taxes	(831)	(2,008)
Current taxes	-	2
Future income taxes (reduction)	(399)	(703)
	(399)	(701)
Loss from discontinued operations, net of income taxes	\$ (432)	\$ (1,307)

3. LONG-TERM DEBT

	March 31, 2008	December 31, 2007
Bank term loan, repayable in set monthly installments of \$667,000 over five years, plus interest at lender's floating base rate (3.9% at March 31, 2008) plus 3.0%; secured by assets of the Corporation	\$ 29,995	\$ 31,996
Less current portion of long-term debt	8,004	8,004
	21,991	23,992
Less debt financing costs	417	449
	\$21,574	\$ 23,543

4. SHARE CAPITAL**a. Common shares issued**

	Number of Shares	Amount
Balance, December 31, 2007	54,481,601	\$ 72,463
Issued for cash on exercise of stock options	134,188	226
Transferred from contributed surplus on exercise of stock options	-	64
Normal course issuer bid	(178,300)	(238)
Balance, March 31, 2008	54,437,489	\$ 72,515

b. Contributed surplus

Balance, December 31, 2007	\$ 1,508
Stock-based compensation	141
Transfer to share capital on exercise of stock options	(64)
Balance, March 31, 2008	\$ 1,585

c. Stock-based plans

The Corporation has a stock option plan under which directors, officers, employees and certain consultants are eligible to receive options to purchase common shares of the Corporation. The options granted vest one-third on each of the first, second and third anniversaries of the date of grant and expire on the fifth anniversary. At March 31, 2008 options to purchase 4,534,416 shares were outstanding at exercise prices ranging from \$0.96 to \$3.05 per share with a weighted average remaining life of 3.45 years.

During the three months ended March 31, 2008, 1,088,000 new options were granted.

Stock appreciation rights (SARs) have been granted to employees and directors in the United States with an exercise price equal to the fair market value of the Company's stock on the date of grant and expire five years after the grant date. Vesting is over a three-year period with portions of a grant becoming exercisable at one, two and three years after the grant date. At March 31, 2008, 148,665 SARs were outstanding at exercise prices ranging from \$2.59 to \$3.05 per share, with a weighted average remaining life of 3.84 years. These rights involve the payment of cash compensation, and do not involve the issuance of any common shares of the Corporation. During the three months ended March 31, 2008, 50,000 new SARs were granted.

Compensation expense related to stock options and SARs was \$141,000 and \$1,300 for the three months ended March 31, 2008 and 2007, respectively.

d. Earnings per share

The following table summarizes the weighted average common shares used in calculating per share amounts:

Three months ended March 31,	2008	2007
Weighted average shares outstanding:		
Basic	54,448,918	47,929,831
Diluted	54,833,580	48,372,833

Diluted earnings per share is computed using the “treasury stock” method whereby outstanding stock options are only dilutive if, and to the extent that, they are “in the money”, and if there are net earnings for the period. In computing diluted earnings per share for the three months ended March 31, 2008 and 2007, no shares were added to the weighted average number of common shares outstanding for dilution from stock options because the Corporation incurred a loss for these periods. The addition of shares from stock options to the diluted weighted average number of shares outstanding for this period would have had the effect of decreasing the loss per share.

5. SUBSEQUENT EVENT

On May 1, 2008 the Corporation purchased 1.23 million common shares under its normal course issuer bid at a price of \$2.75 per share, before brokerage fees of \$37,000.

Corporate Information

Pulse is a market leader in the acquisition, marketing and licensing of 2D and 3D seismic data for the western Canadian energy sector. Pulse owns the second-largest licensable seismic data library in Canada, currently consisting of approximately 257,300 net kilometres of 2D seismic and 11,600 net square kilometres of 3D seismic. The library extensively covers the Western Canada Sedimentary Basin where most of Canada's oil and natural gas exploration and development occurs.

Pulse has declared its 20th consecutive quarterly dividend of \$0.05 per common share payable on June 20, 2008 to shareholders of record at the close of business on June 6, 2008

Pulse has publicly traded on the TSX since 2001. The Company has paid its shareholders a quarterly dividend since 2003 and at Pulse's current share price provides one of the highest dividend yields on the TSX.

OFFICERS

DOUGLAS CUTTS

President & CEO

BRENT GALE

Vice President Operations & COO

PAMELA WICKS

Vice President Finance

NEAL COLEMAN

Vice President Sales and Marketing

NORMAN HALL

Corporate Secretary

BOARD OF DIRECTORS

GRAHAM WEIR ^{(1) (3)}

Chairman of the Board
Independent Businessperson

DAPHNE CORBETT ^{(1) (3)}

Independent Businessperson

DOUGLAS CUTTS ⁽⁴⁾

President & CEO
Pulse Data Inc.

ARTHUR DUMONT ^{(2) (3) (4)}

Independent Businessperson

PETER FUSS ^{(2) (3)}

Independent Businessperson

ROBERT ROBOTTI ^{(1) (3)}

Independent Businessperson

DONALD WEST ^{(2) (3) (4)}

Independent Businessperson

CLARK ZENTNER ^{(1) (3)}

Independent Businessperson

⁽¹⁾ Member of the Audit Committee
⁽²⁾ Member of the Compensation Committee
⁽³⁾ Member of the Corporate Governance Committee
⁽⁴⁾ Member of the Environmental, Health and Safety Committee

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BANKERS

BANK OF NOVA SCOTIA

Calgary, Alberta

ROYNAT CAPITAL INC.

Calgary, Alberta

REGISTRAR & TRANSFER AGENT

COMPUTERSHARE TRUST COMPANY OF CANADA

Calgary, Alberta

SOLICITORS

GOWLING LAFLEUR HENDERSON LLP

Calgary, Alberta

AUDITORS

KPMG LLP

Calgary, Alberta

STOCK EXCHANGE LISTING

THE TORONTO STOCK EXCHANGE

Symbol: PSD