

Q2 For the three and six months ended June 30, 2007

QUARTERLY REPORT

Financial Highlights

(\$000s except per share data)	3 months ended June 30, 2007		6 months ended June 30, 2007		Year ended December 31, 2006
	(unaudited)		(unaudited)		(audited)
Revenue from continuing operations:					
Data library sales	\$ 10,527	\$ 6,634	\$ 21,150	\$ 16,732	\$ 34,214
Participation surveys	\$ —	\$ 3,058	\$ —	\$ 3,058	\$ 3,058
Corporate & other	\$ —	\$ —	\$ —	\$ —	\$ (130)
Total revenue from continuing operations	\$ 10,527	\$ 9,692	\$ 21,150	\$ 19,790	\$ 37,142
Amortization of seismic data library	\$ 6,288	\$ 7,284	\$ 12,576	\$ 11,963	\$ 22,574
Net earnings from continuing operations	\$ 336	\$ 314	\$ 1,173	\$ 1,766	\$ 3,474
Net earnings from continuing operations per share:					
Basic and diluted	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.07
Net loss for the period	\$ (50)	\$ (5,114)	\$ (520)	\$ (5,075)	\$ (3,290)
Net earnings (loss) per share:					
Basic and diluted	\$ 0.00 ^(a)	\$ (0.11) ^(a)	\$ (0.01) ^(a)	\$ (0.11) ^(a)	\$ (0.07) ^(a)
Funds from continuing operations ^(b)	\$ 6,481	\$ 5,933	\$ 14,331	\$ 12,767	\$ 25,851
Funds from continuing operations per share ^(b) :					
Basic	\$ 0.13	\$ 0.13	\$ 0.30	\$ 0.28	\$ 0.55
Diluted	\$ 0.13	\$ 0.12	\$ 0.29	\$ 0.27	\$ 0.54
Free cash flow ^(b)	\$ 6,481	\$ (1,229)	\$ 14,331	\$ 5,699	\$ 19,155
Working capital	\$ 7,999	\$ 16,398	\$ 7,999	\$ 16,398	\$ 5,681
Total assets	\$ 121,996	\$ 112,928	\$ 121,996	\$ 112,928	\$ 131,910
Capital expenditures:					
Seismic data purchases	\$ —	\$ —	\$ —	\$ —	\$ 36,850
Participation surveys	\$ —	\$ 7,162	\$ —	\$ 7,068	\$ 6,696
Changes to work in progress	\$ —	\$ (1,113)	\$ —	\$ (181)	\$ (192)
Property & equipment additions	\$ 115	\$ 1,434	\$ 189	\$ 1,486	\$ 128
Total capital expenditures	\$ 115	\$ 7,483	\$ 189	\$ 8,373	\$ 43,482
Total long-term debt (net of current maturities and debt financing costs)	\$ 27,478	\$ 17,872	\$ 27,478	\$ 17,872	\$ 31,996
Shareholders' equity	\$ 72,256	\$ 75,573	\$ 72,256	\$ 75,573	\$ 75,357
Weighted average shares outstanding:					
Basic	48,016,084	46,792,140	47,973,196	46,336,770	47,145,373
Diluted	48,857,668	48,078,834	48,603,615	47,531,182	48,007,006
Shares outstanding at period end	48,070,787	47,254,519	48,070,787	47,254,519	47,919,342

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

^(b) These non-GAAP financial measures are defined in the MD&A.

Seismic Library

2D in net kilometres	257,216	239,822	257,216	239,822	257,216
3D in net square kilometres	9,823	9,679	9,823	9,679	9,823

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2007

The following Management's Discussion and Analysis (MD&A) for Pulse Data Inc. ("Pulse" or "the Company") has been prepared taking into consideration information available to August 10, 2007 and is supplemental to the unaudited consolidated financial statements and related notes for the three months and six months ended June 30, 2007 and the audited consolidated financial statements for the year ended December 31, 2006. 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 and the LiDAR 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, 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 and sales of LiDAR services.

The Company's continuous disclosure documents provide discussion and analysis of "free cash flow", "funds from operations" and "funds from operations per share". These financial measures do not have standard definitions prescribed by GAAP in Canada and, therefore, may not be comparable to similar measures disclosed by other companies. The Company has included these non-GAAP financial measures because management, investors, analysts and others use them as measures of the Company's financial performance. The Company's definition of free cash flow is cash available for debt servicing, discretionary capital expenditures and the payment of dividends, and is calculated as funds from operations less participation survey additions to the data library. The Company's definition of funds from operations is cash flow from operations as prescribed by Canadian 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 Company'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 Calgary-based company with two operating units: Pulse Seismic, specializing in acquiring, marketing and licensing seismic data to the western Canadian energy sector; and Terrapoint, focusing on acquisition and processing of digital elevation and image data (also referred to as LiDAR data) to diverse markets.

On March 5, 2007 the Company announced that it was initiating a process to review strategic alternatives for its Terrapoint business unit. Since then, the Company has 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 June 30, 2007 financial

statements, as required by Canadian GAAP. Accordingly, this MD&A focuses on the continuing operations of Pulse, being the seismic business, which is supported by the corporate services department.

Pulse attained record seismic data library sales in the first half of 2007 as revenue from continuing operations increased by 6.8 percent to \$21.1 million from \$19.8 million for the comparative period in 2006. The current period's revenue from continuing operations was comprised strictly of data library sales, whereas revenue for the comparable period in 2006 consisted of \$16.7 million in data library sales and \$3.1 million in participation survey revenue. The year-over-year increase in data library sales was 26.3 percent. Revenue from continuing operations for the three months ended June 30, 2007 was \$10.5 million of data library sales, compared to \$6.6 million of data library sales and \$3.1 million of participation revenue in the second quarter of 2006. This represents a 14 percent increase in revenue from continuing operations and a 59.1 percent increase in data library sales for the period.

Earnings from continuing operations before income taxes decreased to \$1.8 million for the six months ended June 30, 2007 from \$2.2 million for the same period in 2006. The reduction in earnings from continuing operations before income taxes was due primarily to a combination of two factors. First, general and administrative expenses were \$900,000 higher at \$3.7 million for the six months ended June 30, 2007 compared to \$2.8 million for the six months ended June 30, 2006, for reasons which are more fully explained in the Review of Continuing Operations below. Second, there was a higher interest expense due to the increased long-term debt balance and the higher interest rate on long-term debt in the first half of 2007 than in the first half of 2006. Earnings from continuing operations before income taxes for the three months ended June 30, 2007 were \$464,000 compared to a loss of \$271,000 for the three months ended June 30, 2006. The improvement quarter-over-quarter was due primarily to the \$800,000 increase in revenue and the \$1.0 million decrease in amortization expense period-over-period. While this was partially offset by higher general and administrative costs of \$1.0 million and higher interest expense of \$319,000, there was an improvement of 271 percent in earnings before tax from continuing operations for the second quarter of 2007 over the comparable period of 2006.

The loss from discontinued operations includes Terrapoint revenues of \$2.8 million for the first six months of 2007, a 14 percent decrease from the \$3.3 million recorded for the six months ended June 30, 2006 due mainly to poor weather conditions in the first quarter of 2007, which prevented Terrapoint from collecting its full contracted LiDAR data within the planned period. The total loss from discontinued operations net of income taxes was \$1.7 million for the six months ended June 30, 2007, compared to a net loss after taxes of \$6.8 million for the same period of 2006. The 2006 period included a \$5.6 million after-tax loss related to the write-down of Terrapoint's older, high-altitude LiDAR systems. The loss from discontinued operations for the second quarter of 2007 was \$386,000 compared to a loss of \$5.5 million for the same period of 2006. As in the first half of 2006, the most significant expense affecting the second quarter of 2006 was a \$4.9 million after-tax write-down of Terrapoint's older, high-altitude LiDAR systems, which increased the loss for the period.

Net earnings from continuing operations for the six months ended June 30, 2007 was \$1.2 million (\$0.02 per share basic and diluted), compared to net earnings from continuing operations of \$1.8 million (\$0.04 per share basic and diluted) for the same period in 2006. This decrease, in spite of record seismic data library sales, was due to increased amortization, general and administrative expenses and interest expense. Net earnings from continuing operations for the three months ended June 30, 2007 were \$336,000 (\$0.01 per share basic and diluted) compared to \$314,000 (\$0.01 per share basic and diluted) for the comparable period of 2006. This improvement reflects higher data library sales for the period, and lower amortization expense due to the 2006 amortization including \$2.5 million related to the participation survey completed in the second quarter of 2006. This

was offset by higher general and administrative and interest expenses, resulting in a 7 percent increase to net earnings over the comparable period.

The net loss for the six months ended June 30, 2007 was \$520,000 (\$0.01 per share basic and diluted) compared to a net loss of \$5.1 million (\$0.11 per share basic and diluted) for the same period in 2006. The net loss for the three months ended June 30, 2007 was \$50,000 (\$0.00 per share basic and diluted) compared to a net loss of \$5.1 million (\$0.11 per share basic and diluted) for the same period in 2006. A significant factor contributing to this reduction in the loss for both the second quarter and the first half of 2007 is due to the writedown of certain Terrapoint assets of \$767,000, after tax, in the first quarter of 2006 and \$4.9 million, after tax, in the second quarter of 2006. When calculating the loss per share for the six months and quarters ended June 30, 2007 and 2006, the basic number of shares outstanding has been utilized, as using diluted shares would have the effect of inappropriately decreasing the net loss per share.

Funds from continuing operations for the first six months of 2007 totalled \$14.3 million (\$0.30 per share basic and \$0.29 per share diluted), compared to \$12.8 million (\$0.28 per share basic and \$0.27 per share diluted) for the first six months of 2006. Funds from operations per share for 2007 and 2006 are based on the weighted average shares outstanding of 47,973,196 (diluted – 48,603,615) for the first six months of 2007, compared to 46,336,770 (diluted – 47,531,182) for the comparable period of 2006. Funds from continuing operations for the three months ended June 30, 2007 were \$6.5 million (\$0.13 per share basic and diluted), compared to \$5.9 million (\$0.13 per share basic and \$0.12 per share diluted) for the second quarter of 2006. The funds from operations per share for the second quarters of 2007 and 2006 are based on the weighted average shares outstanding of 48,016,084 (diluted – 48,857,668) for the second quarter of 2007, compared to 46,792,140 (diluted – 48,078,834) for the comparable period in 2006.

Free cash flow for the first half of 2007 was \$14.3 million, compared to free cash flow of \$5.7 million for the first half of 2006. This 151.5 percent period-over-period increase in free cash flow is attributable to the increase of 26.3 percent in data library sales and to the Company not completing any seismic participation surveys in the first half of 2007.

Pulse had working capital of \$8.0 million (including cash of \$8.6 million) at June 30, 2007 compared to working capital of \$16.4 million (cash of \$17.6 million) at June 30, 2006 and \$5.7 million (cash of \$2.2 million) at December 31, 2006.

During the quarter ended June 30, 2007, the Company repurchased 34,200 common shares under the Normal Course Issuer Bid at an average price of \$2.60, for a total cost of \$89,000.

Pulse paid its sixteenth consecutive quarterly dividend of \$0.0375 per common share on June 20, 2007.

Subsequent to the end of the reporting periods, on July 27, 2007 Pulse closed a “bought-deal” private placement financing of 6.44 million common shares at an issue price of \$2.70 per common share for total gross proceeds of \$17,388,000 (the “offering”). The offering included a private placement of 4.5 million common shares at \$2.70 per share, an Underwriter’s Option that was fully exercised for 1.1 million common shares at \$2.70 per share, and an Overallotment Option granted to the underwriters that was fully exercised for an additional 840,000 common shares at \$2.70 per common share. Pulse used the proceeds of the offering to finance a 3D seismic data acquisition of \$11.1 million from a joint venture partner and, subsequently, to fund a 3D seismic participation survey program consisting of a minimum 150 net square kilometres in the Deep Basin area of west-central Alberta.

REVIEW OF CONTINUING OPERATIONS

Revenue Revenue from continuing operations includes data library sales and participation survey revenues. There were no participation surveys completed in the first half of 2007. There was one 3D participation survey completed in the first half of 2006, which generated participation survey revenue of \$3.1 million. For the six months ended June 30, 2007, seismic data library sales reached \$21.1 million compared to \$16.7 million for the same period in 2006, an increase of 26.3 percent. For the three months ended June 30, 2007, seismic data library sales were \$10.5 million, compared to \$6.6 million for the same period in 2006. This increase for both the second quarter and first half of 2007 was due in part to a higher demand for seismic data for exploration from junior oil and natural gas companies, along with the additional sales generated from the newly acquired Foothills 2D dataset which Pulse purchased in November 2006, and in part to a general price increase for seismic data library licences effective January 1, 2007.

Amortization Seismic amortization expense was \$12.6 million (59.5 percent of seismic revenue) for the six months ended June 30, 2007, compared to \$12.0 million (60.4 percent of seismic revenue) for the six months ended June 30, 2006. For the three months ended June 30, 2007, seismic amortization expense was \$6.3 million (59.7 percent of seismic revenue), compared to \$7.3 million (75.2 percent of seismic revenue) in the three months ended June 30, 2006. Due to Pulse's significant investment to acquire new seismic data in 2006, the monthly amortization expense has increased. However, in the three months ended June 30, 2006 seismic amortization expense also included \$2.5 million related to the \$7.1 million survey acquisition costs for the 3D survey delivered in that quarter. 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 items include sales commissions, salaries for operations and sales personnel, data base management software, mapping, general office and data storage costs. For the six months ended June 30, 2007, operating expenses were 8.0 percent of seismic data library sales, compared to 12.5 percent of seismic data library sales in the same period of 2006. For the three months ended June 30, 2007, operating expenses were 8.6 percent of seismic data library sales, compared to 17.6 percent of seismic data library sales in the same period of 2006. This decrease for both comparative periods was principally a result of lower commission expense being paid, due to a higher proportion of the sales being made by the internal marketing department of Pulse versus outside brokers in the first half of 2007. Additionally, the Company incurred lower salary expense due to a reduction in the number of employees in the seismic business unit and also had lower software licensing and maintenance costs in the first half of 2007 compared to 2006.

Depreciation Expense Depreciation expense for the six months ended June 30, 2007 decreased by 17.2 percent to \$149,000 from \$180,000 in the same period of 2006. Depreciation expense for the three months ended June 30, 2007 decreased by 10.3 percent to \$78,000 from \$87,000 in the same period of 2006. The decrease is due primarily to a significant portion of the Company's hardware and software becoming fully depreciated in 2007.

General and Administrative Expenses (G&A) For the six months ended June 30, 2007, G&A was \$3.7 million, a 32.8 percent increase from \$2.8 million for the same period of 2006. For the three months ended June 30, 2007, G&A was \$2.2 million, an 82.6 percent increase from \$1.2 million for the same period of 2006. The increase in G&A in 2007 is primarily related to advisory costs incurred by the Company during the first half of 2007 associated with unplanned and non-completed merger and acquisition transactions.

Interest Expense Total interest expense for the six months ended June 30, 2007 increased to \$1.3 million from \$619,000 for the same period in 2006. For the three months ended June 30, 2007, interest expense increased to \$595,000 from \$276,000 for the comparable period of 2006. The increase is due primarily to the additional debt undertaken at the end of 2006 to partially fund the \$32.5 million seismic data purchase on November 15, 2006. In addition, the Company's principal lender's borrowing base rate increased by 1 percent on this debt refinancing.

Earnings From Continuing Operations Before Income Taxes (EBT) In summary, EBT decreased to \$1.8 million for the six months ended June 30, 2007 from \$2.2 million for the same period of 2006. For the second quarter of 2007, EBT increased to \$464,000 from a loss of \$271,000 for the same period of 2006. The reduction in EBT for the six-month period was due primarily to a combination of three factors. Although the revenue from continuing operations was \$1.4 million higher it was offset by three expense increases. First, the seismic data library amortization provision for the six months ended June 30, 2007 was \$600,000 higher than in the same period of 2006. Second, there was \$600,000 higher interest in the first half of 2007 than in the first half of 2006. Finally, G&A in the first half of 2007 was \$900,000 higher than in the comparable period of 2006. The increase of \$735,000 EBT in the second quarter of 2007 over the second quarter of 2006 is mainly attributable to an increase of over \$800,000 in revenue and reduced amortization of \$1.0 million, offset by G&A which increased by \$1.0 million.

Income Taxes

The total income tax provision for the six months ended June 30, 2007 was \$595,000, reflecting an effective tax rate of 33.7 percent, compared to a total provision of \$428,000 and an effective tax rate of 19.5 percent for the same period of 2006. The lower effective tax rate in the first half of 2006 included the effect of the new, lower income tax rates on the value of the future tax liabilities related to the seismic data library.

Data Library

Pulse acquires seismic data to grow its data library through two main methods. The Company purchases proprietary rights to complementary seismic data sets when the opportunity arises, and conducts participation surveys. During the first six months of 2007, Pulse did not acquire any additional seismic data, and did not complete any participation survey programs. Pulse commenced a participation survey in July 2007, subsequent to the end of the second quarter, in the west-central Alberta area, consisting of a minimum of 150 net square kilometres of 3D seismic data. Pulse expects to obtain at least 65 percent pre-funding for the minimum amount of this planned survey and expects to deliver the data to the customers by the end of the third quarter of 2007. There is no exclusivity period associated with this participation survey which permits the Company to commence licensing the seismic data immediately after delivery. In comparison, during the first six months of 2006 the Company completed a 237-square-kilometre 3D participation survey in west-central Alberta at a cost of \$6.7 million.

Future Tax Liability

The net future income tax liability was \$7.8 million at June 30, 2007, virtually unchanged from December 31, 2006. This net future income tax liability consists mainly of deferred partnership income and the future tax liability associated with various data libraries, as well as property and equipment of the Company having a lower tax value than their corresponding accounting value. These future income tax liabilities are partially offset by future tax assets of the Company, including non-capital losses and resource deductions.

Liquidity, Capital Resources and Capital Requirements

At June 30, 2007 the working capital position of Pulse, including the current portion of long-term debt of \$8.0 million, was \$8.0 million, compared to \$5.7 million at December 31, 2006. For the six months ended June 30, 2007 Pulse generated \$14.3 million in funds from continuing operations, had a net change of \$3.3 million in non-cash working capital items relating to continuing operations and utilized working capital for long-term debt repayment (\$4.0 million), dividends (\$3.6 million) and to finance its LiDAR operations (\$4.4 million). This resulted in an increase of \$6.5 million to the cash balance, which was \$8.6 million at June 30, 2007.

With the continued trend of strong seismic data sales, Pulse management expects that the Company's funds from operations will be sufficient to finance future operations, service debt, pay dividends and carry out the budgeted capital expenditures through 2007. The ongoing growth in the Company'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 Company's clients are able to enhance the quality of older data in the library.

Although quarterly results can show significant swings in working capital because of the impact of participation surveys, Pulse remains in a strong financial position. Because Pulse's largest expense in any given period is non-cash amortization expense, funds from operations are usually much higher than net earnings.

Contractual Obligations

There have not been any significant changes in Pulse's contractual obligations since the Company's Annual Report for the year ended December 31, 2006.

Free Cash Flow

Pulse's free cash flow for the six months ended June 30, 2007 was \$14.3 million, compared to free cash flow of \$5.7 million for the six-month period ended June 30, 2006. This increase is attributable to higher seismic data library sales and lower operating costs, partially offset by higher G&A and interest expense and no participation survey expenditures in the first half of 2007. Free cash flow and funds from operations are the same amount for the six months ended June 30, 2007 as there were no participation surveys conducted in the first half of 2007.

The table below summarizes Pulse's free cash flow for the respective six-month periods:

(000s)	Six months ended	
	June 30, 2007	June 30, 2006
Funds from continuing operations	\$ 14,331	\$ 12,767
Less:		
Participation survey additions	—	(7,068)
Free cash flow	\$ 14,331	\$ 5,699

Related-Party Transactions

The Company holds an approximate 50 percent undivided interest in certain 2D seismic data totalling 1,765 net kilometres (approximately 0.7 percent of the Company's 2D data library) in which one officer of the Company (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 company and has retained a portion of his ownership interests. The contract between the parties is for the management and licensing of the seismic data to third parties for a success-based fee and only permits payment of revenues to the related parties upon receipt of licensing fees from the third parties. The amount due under these arrangements was \$20,449 at June 30, 2007 (June 30, 2006 – \$40,493).

Critical Accounting Estimates

The capital cost of the seismic data library is amortized on a fixed basis, determined 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 Company'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 Company's share capital as at June 30, 2007 and June 30, 2006:

	Three months ended		Six months ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Weighted average shares outstanding:				
Basic	48,016,084	46,792,140	47,973,196	46,336,770
Diluted	48,857,668	48,078,834	48,603,615	47,531,182
Shares outstanding at period-end	48,070,787	47,254,519	48,070,787	47,254,519
Shares outstanding at August 10, 2007			54,456,753	

At June 30, 2007 there were 4,278,087 stock options outstanding at exercise prices ranging from \$0.96 to \$3.05 per share.

At August 10, 2007 there were 4,121,255 options outstanding at exercise prices ranging from \$0.96 to \$3.05 per share.

Diluted Earnings 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 earnings per share for the three and six months ended June 30, 2007, no shares were added to the weighted average number of common shares outstanding for dilution from stock options because the Company incurred a net loss. The addition of shares relating to stock options to the diluted weighted average number of shares outstanding for this period would have had the effect of decreasing the net loss per share. However, the diluted number of shares outstanding was used to compute diluted earnings per share from continuing operations for the three and six months ended June 30, 2007 and for the six months ended June 30, 2006 which were positive.

Stock Appreciation Rights

Stock Appreciation Rights (SARs) have been granted to employees and a director resident in the United States. They have an exercise price equal to the fair value of the Company'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 June 30, 2007, 107,000 SARs were outstanding at exercise prices ranging from \$2.62 to \$3.05 and having a weighted average remaining life of 4.99 years. The SARs program involves the payment of cash compensation and does not involve the issuance of any common shares of the Company.

REVIEW OF DISCONTINUED OPERATIONS

Discontinued operations include the Terrapoint business unit for the first half of 2007, with the comparative 2006 period including results of both the Terrapoint business unit and Trango Technologies Inc. (“Trango”).

The loss from discontinued operations for the three months ended June 30, 2007 was \$386,000, compared to \$5.4 million in the first quarter of 2006 (which included earnings of \$36,000 for Trango), and the loss from discontinued operations for the six months ended June 30, 2007 was \$1.7 million, compared to a loss of \$6.8 million in the first half of 2006 (which included earnings of \$3,000 for Trango). The detailed results of discontinued operations are included in Note 2 to the Consolidated Interim Financial Statements.

Revenue LiDAR revenue for the three and six months ended June 30, 2007 was \$2.0 million and \$2.8 million, respectively, compared to \$1.8 million and \$3.3 million for the same respective periods of 2006, an increase of 11 percent and a decrease of 15 percent, respectively. The decrease for the six months ended June 30, 2007 from the same period of 2006 is due largely to poor weather conditions in the first quarter, which prevented Terrapoint from collecting its full contracted LiDAR data within the planned period.

Operating Expenses Included in Terrapoint's operating expenses are the costs associated with generating its LiDAR project revenues. Operating expenses for the three and six months ended June 30, 2007 were \$2.0 million and \$3.8 million, respectively, compared to \$1.4 million and \$2.8 million in the respective 2006 periods. Operating costs as a percentage of revenue were higher for the first half of 2007 than for the same period of 2006, primarily due to a combination of lower sales revenue in the first half of 2007 and because a significant portion of the LiDAR operating expenses represent fixed costs.

Amortization and Depreciation The depreciation expense in the Terrapoint business unit for the six months ended June 30, 2007 was \$279,000, compared to \$9.9 million for the same period of 2006. Included in the 2006 figure is an \$8.8 million write-down related to the older, high-altitude LiDAR data collection systems that were retired and written down to their residual values in the first and second quarters of 2006. The amortization of the LiDAR data library was \$44,000 for the six months ended June 30, 2007, compared to \$88,000 in the comparable 2006 period. Amortization of LiDAR data is calculated on a straight-line basis over five years. Because the assets of Terrapoint have been classified as assets held for sale, there has been no further depreciation and amortization provision recorded since March 31, 2007, in compliance with GAAP.

General and Administrative Expenses (G&A) For the three months ended June 30, 2007, G&A was \$331,000 compared to \$410,000 in the second quarter of 2006, and \$668,000 for the six months ended June 30, 2007 compared to \$764,000 in the first half of 2006.

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 June 30, 2007 was \$281,000, compared to \$231,000 in the second quarter of 2006, and for the six months ended June 30, 2007 was \$579,000, compared to \$502,000 in the first half of 2006. Terrapoint's R&D efforts are focused on developing innovative software and hardware solutions that will provide added value to its expanding client base.

The capital cost of the LiDAR data library, which is included in assets held for sale on the June 30, 2007 balance sheet, is amortized on a straight-line basis over five years. The capital costs of the LiDAR laser systems, technical equipment, proprietary software and processes included in assets held for sale at June 30, 2007 are amortized on a straight-line basis over a seven-year period.

Estimates are made concerning the expected useful lives, projected residual values and the potential for impairment of Terrapoint's LiDAR property and equipment. These estimates and any potential impairment are evaluated on a quarterly basis.

FINANCIAL SUMMARY OF QUARTERLY RESULTS OF CONTINUING AND DISCONTINUED OPERATIONS

(stated in thousands of dollars except per share data)

	2007		2006			2005		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Data library revenue	10,527	10,623	10,506	6,976	6,634	10,098	12,439	8,614
Participation survey revenue	-	-	-	-	3,058	-	4,368	607
Total revenue from continuing operations	10,527	10,623	10,506	6,976	9,692	10,098	16,807	9,221
Seismic data library amortization	6,288	6,288	5,587	5,024	7,284	4,679	6,735	4,583
Net earnings (loss) from continuing operations	336	837	2,276	(568)	314	1,452	4,233	2,023
Per share – basic and diluted (from continuing operations) (\$)	0.01	0.02	0.05	(0.01)	0.01	0.03	0.09	0.04
Net earnings (loss)	(50)	(470)	1,339	446	(5,114)	39	4,020	1,061
Per share – basic and diluted (\$)	0.00	(0.01)	0.03	0.01	(0.11)	0.00	0.09	0.02
Dividends declared per share (\$)	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.025	0.025

While Pulse's quarterly revenue from continuing operations has fluctuated over the past eight quarters, the data library revenue has been consistent at approximately \$10.5 million for the last three consecutive quarters, prior to which it fluctuated considerably. The significant contributing revenue streams are seismic data library sales and participation survey revenue. Generally, in quarters where participation surveys are completed, total revenue is much higher than in quarters without participation survey activity. This was evident in the fourth quarter of 2005 and the second quarter of 2006.

Revenue from continuing operations in the second quarter of 2007 was comprised of seismic data library sales. This quarter set record second quarter seismic data library sales for Pulse and was 58.7 percent higher than revenue in the same period of 2006.

In addition, revenues, particularly from participation surveys, are subject to seasonality. In 2006, one survey was completed during the second quarter, while in 2007 Pulse did not conduct any surveys during the first or second quarters. The Company is currently at work on a participation survey in the Deep Basin area of west-central Alberta, which is expected to be delivered by the end of the third quarter of 2007.

During the past eight fiscal quarters, the fluctuations in net earnings have largely been a function of revenue and amortization. The quarters with significant participation survey revenue are easily identified. Also, seismic data library sales have a very positive impact on earnings. The exceptions in the first and second quarters of 2006 were due to the write-down of certain LiDAR capital assets of \$1.2 million and \$7.6 million, respectively, which offset the earnings generated in the quarters by the seismic business unit. In the second quarter of 2007 Terrapoint incurred a net loss of \$1.7 million from the LiDAR business.

The net earnings from continuing operations reflect the seismic business only. In the second quarter of 2007, as summarized previously, the increase in revenues over the same period in 2006 was offset by an increase in G&A and interest expense. Amortization expense being a non-cash expense confirms that the Company continues to generate strong free cash flow.

CHANGE IN ACCOUNTING POLICIES

On January 1, 2007, the Company adopted the new Canadian accounting standards for financial instruments – recognition and measurement, financial instruments – presentation and disclosures, hedging and comprehensive income. Upon adoption, the Company has elected to classify its investments as being held-for-trading. The investments were adjusted to fair value on adoption. As a result of the adoption, retained earnings were adjusted by \$384,000 and \$62,000, respectively. These investments were sold during the second quarter of 2007 at a loss of \$6,000. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized using the effective interest rate method whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Prior periods have not been restated.

Financial instruments – recognition and measurement

This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with

changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired. Changes to the measurement of existing financial assets and liabilities at the date of adoption were adjusted to opening retained earnings, as noted above.

Additional disclosure requirements for financial instruments have been approved by the Canadian Institute of Chartered Accountants (CICA), and will be required disclosures for the Company beginning January 1, 2008.

Embedded derivatives

On adoption, the Company elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantively modified after January 1, 2003. The Company did not identify any material embedded derivatives which required separate recognition and measurement.

Other comprehensive income

The new standards require a new statement of comprehensive income, which is comprised of net earnings and other comprehensive income which, for the Company, relates to changes in gains or losses on derivatives designated as cash flow hedges. The Company has combined this new statement with the statement of earnings. There are no reconciling items between net income and comprehensive income.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

Please refer to the Company's Annual Report for the year ended December 31, 2006 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 Company's Annual Information Form, on SEDAR at www.sedar.com.

OUTLOOK

Pulse's record first and second quarter seismic data library sales were in line with the Company's expectations. Of note, data library sales have been virtually the same for each of the last three fiscal quarters. Our working capital position is solid, with an increase of \$6.5 million in cash on hand since the end of 2006.

The second quarter for Pulse is historically more volatile than the first; some years it is quite weak, while in others it is even stronger than the first quarter. This year, uncertainty within the oil and natural gas industry concerning commodity prices and the pace of field activity over the coming year appears to be translating into some decision-making hesitancy regarding exploration-related activities, including seismic purchases. Pulse is taking a cautious outlook with respect to the third and fourth quarters of 2007.

Pulse continues to benefit from the seismic sub-sector's position within the overall service industry's price and activity dynamic. Because spending on seismic data represents a small proportion of oil and natural gas company's capital budgets, and because seismic interpretation remains key to producers' longer-term growth and success, spending on seismic data tends not to move in lockstep with commodity prices and drilling rates. This tends to insulate seismic providers at least partially from price-driven industry volatility.

By building on the solid momentum of seismic data sales generated in the first half of 2007, Pulse continues to foresee reasonable levels of licensing activity, revenue, operating margin and free cash flow in the months ahead. We are also optimistic about a strong year ahead for the Company in 2008. We will maintain our overall philosophy of acquiring quality seismic data in whichever way is most efficient and expedient, whether through acquisition of additional existing data sets or through further participation surveys. Pulse management expects that its funds from operations will be sufficient to finance operations, service debt, and continue to pay dividends and carry out the budgeted capital expenditures through 2007. Pulse continues to work towards a disposition of the Terrapoint business unit by the end of the third quarter of 2007.

August 10, 2007

(signed) "Douglas A. Cutts"

Douglas A. Cutts
President & C.E.O.

(signed) "Pamela D. Wicks"

Pamela D. Wicks
Vice President Finance

Disclaimer: 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 the Management's Discussion and Analysis in the Company's most recent annual and interim reports for a discussion of risks that could affect the Company'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 law.

Interim Consolidated Balance Sheets

(\$000s) (unaudited)	June 30, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,639	\$ 2,181
Accounts receivable	9,310	16,191
Prepaid expenses	103	233
Assets held for sale (note 2)	4,393	3,809
	22,445	22,414
Seismic data library	88,113	100,688
Assets held for sale (note 2)	10,453	6,943
Property and equipment	943	904
Investments	—	351
Other	42	610
	\$ 121,996	\$ 131,910
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,944	\$ 4,002
Deferred revenue	2,162	3,781
Current portion of long-term debt (note 3)	8,004	8,004
Liabilities held for sale (note 2)	2,336	946
	14,446	16,733
Long-term debt (note 3)	27,478	31,996
Future income taxes	7,816	7,824
Shareholders' equity:		
Share capital (note 4)	55,228	54,887
Contributed surplus (note 4)	1,660	1,305
Retained earnings	15,368	19,165
	72,256	75,357
	\$ 121,996	\$ 131,910

Subsequent events (note 5)

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Earnings (Loss) and Retained Earnings

(\$000s, except per share data) (unaudited)	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Revenue:				
Data library sales	\$ 10,527	\$ 6,634	\$ 21,150	\$ 16,732
Participation survey	–	3,058	–	3,058
Total revenue	\$ 10,527	\$ 9,692	\$ 21,150	\$ 19,790
Expenses:				
Amortization of seismic data library	6,288	7,284	12,576	11,963
Operating	907	1,091	1,709	2,060
Depreciation and amortization	78	87	149	180
(Gain) loss on assets held for trading	(42)	–	6	–
General and administrative expenses	2,237	1,225	3,683	2,774
Interest:				
Long-term debt	682	439	1,424	859
Other	(87)	(163)	(165)	(240)
	595	276	1,259	619
Earnings (loss) from continuing operations before income taxes	464	(271)	1,768	2,194
Income taxes:				
Current	608	1,418	677	2,182
Future (reduction)	(480)	(2,003)	(82)	(1,754)
	128	(585)	595	428
Net earnings from continuing operations	\$ 336	\$ 314	\$ 1,173	\$ 1,766
Loss from discontinued operations, net of income taxes (note 2)	(386)	(5,428)	(1,693)	(6,841)
Net loss	\$ (50)	\$ (5,114)	\$ (520)	\$ (5,075)
Retained earnings, beginning of period	17,219	27,834	19,165	29,545
Change in accounting policy (note 1)	–	–	322	–
Dividends paid	(1,801)	(1,768)	(3,599)	(3,518)
Retained earnings, end of period	\$ 15,368	\$ 20,952	\$ 15,368	\$ 20,952
Net earnings per share from continuing operations, basic and diluted	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.04
Net loss per share, basic and diluted	\$ –	\$ (0.11)	\$ (0.01)	\$ (0.11)

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(\$000s, except per share data) (unaudited)	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Cash provided by (used in):				
Continuing operations:				
Net earnings	\$ 336	\$ 314	\$ 1,173	\$ 1,766
Items not involving cash:				
Amortization of seismic data library	6,288	7,284	12,576	11,963
Depreciation and amortization	78	87	149	180
Unrealized loss (gain) on foreign exchange	37	(112)	–	(74)
Future income taxes (reduction)	(480)	(2,003)	(82)	(1,754)
Stock-based compensation	226	346	434	650
(Gain) loss on assets held for trading	(42)	–	6	–
Other	38	17	75	36
Funds from continuing operations	6,481	5,933	14,331	12,767
Net change in non-cash working capital items related to continuing operations	(927)	4,473	3,308	8,226
	5,554	10,406	17,639	20,993
Discontinued operations:				
Funds from discontinued operations (note 2)	(534)	(259)	(2,221)	(778)
Additions to property and equipment	(141)	(135)	(2,526)	(231)
Net change in non-cash working capital items related to discontinued operations (note 2)	(711)	1,655	362	2,001
	(1,386)	1,261	(4,385)	992
Financing:				
Repayment of long-term debt	(2,001)	(1,524)	(4,002)	(3,100)
Issue of share capital	19	895	40	1,084
Increase in deferred charges	3	–	3	–
Dividends paid	(3,377)	(3,518)	(3,377)	(3,518)
	(5,356)	4,147	(7,336)	(5,534)
Investing:				
Additions to seismic data library through participation surveys	–	(7,162)	–	(7,068)
Decrease in participation surveys in progress	–	1,113	–	181
Additions to property and equipment	(115)	(1,434)	(189)	(1,486)
Cash sales of investments	729	–	729	–
Net change in non-cash working capital items related to investing	–	(365)	–	(856)
	614	(7,848)	540	(9,229)
Increase (decrease) in cash position	(574)	7,966	6,458	7,222
Cash and cash equivalents, beginning of period	9,213	9,796	2,181	10,540
Cash and cash equivalents, end of period	\$ 8,639	\$ 17,762	\$ 8,639	\$ 17,762

During the three and six months ended June 30, 2007 the Corporation paid interest of \$651,000 (three months ended June 30, 2006 – \$276,000) and \$1,340,000 (six months ended June 30, 2006 – \$626,000), respectively. During the three and six months ended June 30, 2007 the Corporation paid income taxes of \$470,000 (three months ended June 30, 2006 – \$511,000) and \$1,911,000 (six months ended June 30, 2006 – \$736,000) respectively.

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements

Information as at June 30, 2007 and for the three and six months ended June 30, 2007 and 2006 is unaudited (Tabular amounts in thousands of dollars, except per share data)

Pulse Data Inc. (“Pulse” or the “Corporation”) is incorporated under the Canada Business Corporations Act and is a publicly-traded company listed on the Toronto Stock Exchange 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 included in the Annual Report for the year ended December 31, 2006. These interim financial statements follow the same accounting policies and methods as the most recent annual financial statements. The figures for the six months ended June 30, 2006 reflect certain reclassifications to conform with the presentation adopted in 2007.

The results of operations for the six months ended June 30, 2007 are not necessarily indicative of results to be expected for the entire year ending December 31, 2007. 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.

Changes in accounting policies

On January 1, 2007, the Corporation adopted the new Canadian accounting standards for financial instruments – recognition and measurement, financial instruments – presentation and disclosures, hedging and comprehensive income. Upon adoption, the Corporation has elected to classify its investments as being held-for-trading. The investments were adjusted to fair value on adoption. As a result of the adoption, retained earnings were increased by \$322,000, and investments and future tax liability increased by \$384,000 and \$62,000 respectively. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized using the effective interest rate method whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Prior periods have not been restated.

Financial instruments – recognition and measurement

This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired. Changes to the measurement of existing financial assets and liabilities at the date of adoption were adjusted to opening retained earnings as noted above.

Additional disclosure requirements for financial instruments have been approved by the Canadian Institute of Chartered Accountants (CICA), and will be required disclosures for the Corporation beginning January 1, 2008.

Embedded derivatives

On adoption, the Corporation elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantively modified after January 1, 2003. The Corporation did not identify any material embedded derivatives which required separate recognition and measurement.

Other comprehensive income

The new standards require a new statement of comprehensive income, which is comprised of net earnings and other comprehensive income which, for the Corporation, relates to changes in gains or losses on derivatives designated as cash flow hedges. The Corporation has combined this new statement with the statement of earnings. There are no reconciling items between net income and comprehensive income.

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. Since then, the Corporation has developed a formal plan to sell the assets and business operations of its Terrapoint business unit, meeting the criteria to report the segment as assets held for sale. Accordingly, the operating results of Terrapoint have been classified as a discontinued operation and comparative figures have been restated.

a) Assets and liabilities held for sale

Assets and liabilities held for sale as at June 30, 2007 and December 31, 2006 are as follows:

Assets held for sale

	June 30, 2007	December 31, 2006
Current assets:		
Cash and cash equivalents	\$ 300	\$ 367
Accounts receivable	2,753	2,215
Prepaid expenses	151	129
Work in progress	1,189	1,098
	4,393	3,809
LiDAR data library	307	351
Property and equipment	6,523	4,275
Work in progress	329	-
Future income taxes	3,294	2,317
	10,453	6,943
	\$ 14,846	\$ 10,752

Liabilities held for sale

	June 30, 2007	December 31, 2006
Current liabilities:		
Accounts payable	\$ 1,414	\$ 941
Deferred revenue	922	5
	\$ 2,336	\$ 946

b) Discontinued operations:

(i) Terrapoint Business Unit (“Terrapoint”)

Results of operations for this business unit have been classified as discontinued operations as defined by generally accepted accounting principles (GAAP).

The results of discontinued operations of Terrapoint for the three-month and six-month periods ended June 30, 2007 and 2006 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Revenue	\$ 2,008	\$ 1,813	\$ 2,809	\$ 3,266
Operating expenses:				
Operating	2,007	1,499	3,832	2,802
Depreciation and amortization	—	8,148	279	9,916
Amortization of LiDAR data library	—	44	44	88
	2,007	9,691	4,155	12,806
Gross margin	1	(7,878)	(1,346)	(9,540)
General and administrative expenses	331	410	668	764
Research and development expenses	281	231	579	502
Interest expenses	36	—	62	9
	648	641	1,309	1,275
Loss from discontinued operations, before income taxes	\$ (647)	\$ (8,519)	\$ (2,655)	\$ (10,815)
Current taxes	1	2	3	2
Future income taxes (reduction)	(262)	(3,057)	(965)	(3,973)
	(261)	(3,055)	(962)	(3,971)
Loss from discontinued operations, net of income taxes	\$ (386)	\$ (5,464)	\$ (1,693)	\$ (6,844)

(ii) Trango Technologies Inc. (“Trango”)

On July 31, 2006 the Corporation sold 100 percent of the shares of Trango, a wholly-owned subsidiary of the Corporation. For comparative purposes the results of operations of Trango have been classified as discontinued operations for the first half of 2006.

The results of discontinued operations of Trango for the three-month and six-month periods ended June 30, 2007 and 2006 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Revenue	\$ —	\$ 568	\$ —	\$ 855
Operating expenses:				
Operating	—	447	—	769
Depreciation and amortization	—	14	—	28
	—	461	—	797
Gross margin	—	107	—	58
General and administrative expenses	—	54	—	55
Interest expenses	—	(3)	—	(3)
	—	51	—	52
Earnings from discontinued operations, before income taxes	\$ —	\$ 56	\$ —	\$ 6
Future income taxes (reduction)	—	20	—	3
Earnings from discontinued operations, net of income taxes	\$ —	\$ 36	\$ —	\$ 3

The combined results of discontinued operations of Trango and Terrapoint for the three-month and six-month periods ended June 30, 2007 and 2006 are as follows:

Earnings from discontinued operations (Trango)	\$ —	\$ 36	\$ —	\$ 3
Loss from discontinued operations (Terrapoint)	(386)	(5,464)	(1,693)	(6,844)
Total loss from discontinued operations	\$ (386)	\$ (5,428)	\$ (1,693)	\$ (6,841)

3. Long-term debt:

	June 30, 2007	December 31, 2006
Bank term loan, repayable in set monthly installments of \$667,000 over five years, plus interest at lender's base rate plus 3.5%, secured by assets of the Corporation	\$ 35,998	\$ 40,000
Less current portion of long-term debt	8,004	8,004
	27,994	31,996
Less debt financing costs	516	—
	\$ 27,478	\$ 31,966

Future repayments due within each of the next five years are estimated as follows:

2007 (July to December)	\$ 4,002
2008	8,004
2009	8,004
2010	8,004
2011	7,984
	\$ 35,998

4. Share capital:

(a) Common shares issued:

	Number of Shares	Amount
Balance, December 31, 2006	47,919,342	\$ 54,887
Issued for cash on exercise of stock options	91,667	129
Transferred from contributed surplus on exercise of stock options	—	29
Dividend reinvestment plan	93,978	222
Normal Course Issuer Bid	(34,200)	(39)
Balance, June 30, 2007	48,070,787	\$ 55,228

(b) Contributed surplus:

Balance, December 31, 2006	\$ 1,305
Stock-based compensation	\$ 434
Transferred to share capital on exercise of stock options	(29)
Normal Course Issuer Bid	\$ (50)
Balance, June 30, 2007	\$ 1,660

(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 June 30, 2007 options to purchase 4,278,087 shares were outstanding at exercise prices ranging from \$0.96 to \$3.05 and having a weighted average remaining life of 3.5 years.

During the three months ended June 30, 2007, 1,406,000 new options were granted.

Stock appreciation rights ("SARs") have been granted to employees 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 June 30, 2007, 107,000 SARs were outstanding at exercise prices ranging from \$2.62 to \$3.05, and having a weighted average remaining life of 4.99 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 June 30, 2007, 25,000 SARs were granted.

Compensation expense related to stock options and SARs was \$434,000 and \$101,000 respectively.

(d) Per share amounts:

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

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Weighted average shares outstanding:				
Basic	48,016,084	46,792,140	47,973,196	46,336,770
Diluted	48,857,668	48,078,834	48,603,615	47,531,182

Diluted earnings per share are 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 (loss) per share for the three and six months ended June 30, 2007, no shares were added to the weighted average number of common shares outstanding for dilution from stock options because the Corporation incurred a net loss. 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 net loss per share. The diluted number of shares outstanding was used to compute diluted earnings per share from continuing operations for the three and six months ended June 30, 2007.

5. Subsequent Events:

On July 27, 2007, Pulse Data Inc. closed a bought-deal financing of 6.44 million common shares at an issue price of \$2.70 per common share for total gross proceeds of \$17,388,000.

Pulse used the proceeds of the offering to finance a 3D seismic data acquisition of \$11.1 million from a joint venture partner and to fund a 3D seismic participation survey program consisting of a minimum 150 net square kilometres in the Deep Basin area of west-central Alberta.

The seismic data acquired from the joint venture partner is located primarily in northeast British Columbia and includes 1,388 net square kilometres of 3D seismic data and 65 net kilometres of 2D seismic data.

CORPORATE PROFILE

Pulse is a Calgary-based company specializing in seismic data acquisition, marketing and licensing in Western Canada. At July 31, 2007 Pulse Seismic's library consisted of approximately 257,300 net kilometres of 2D data and 11,400 net square kilometres of 3D data. Revenue is generated through licensing of the data library and through the licensing of non-exclusive participation surveys.

Pulse has declared its 17th consecutive quarterly dividend of \$0.0375 per common share payable on September 20, 2007 to shareholders of record at the close of business on September 6, 2007.

Pulse trades on the Toronto Stock Exchange under the symbol PSD.

Corporate Information

Board of Directors

Clark Zentner ^{(1) (3)}

Chairman of the Board
Independent Businessperson

Daphne Corbett ^{(1) (3)}

Independent Businessperson

Arthur Dumont ^{(2) (3) (4)}

Chairman & CEO
Technicoil Corporation

Peter Fuss ^{(2) (3)}

Management Consultant

Douglas Cutts ⁽⁴⁾

President & CEO
Pulse Data Inc.

Graham Weir ^{(1) (3)}

Independent Businessperson

Donald West ^{(2) (3) (4)}

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

Officers

Douglas Cutts

President & CEO

Brent Gale

Vice President, Operations & COO

Pamela Wicks

Vice President, Finance

Norman Hall

Corporate Secretary

James Ferguson

President,
Terrapoint Canada Inc.

Paul Mrstik

Vice President, Technology
Terrapoint Canada Inc.

Roger Shreehan

Vice President, Operations
Terrapoint Canada Inc.

Jake Jenkins

Vice President, Sales & Marketing
Terrapoint Canada Inc.

Bruce Nelson

President,
Terrapoint USA Inc.

Craig Glennie

Vice President, Engineering
Terrapoint USA Inc.

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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

Auditors

KPMG LLP

Calgary, Alberta

Stock Exchange Listing

The Toronto Stock Exchange

Symbol: PSD



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