

This is an important document that requires your careful review and consideration. If you are in doubt as to how to respond to the Offer, you should consult with your investment dealer, stockbroker, bank manager, lawyer or other professional advisor. Inquiries concerning the information in this document should be directed to Georgeson Shareholder Communications Canada Inc. at 1-888-605-7616.



Directors' Circular
RECOMMENDING
REJECTION

of the Offer by

6818862 CANADA INC.,

an indirect wholly-owned subsidiary of

SEITEL, INC.

to purchase all of the outstanding common shares of

Pulse Data Inc.

at a price of \$3.10 per common share

**The Board of Directors of Pulse Data Inc. unanimously recommends
that you REJECT the Seitel, Inc. Offer
and NOT TENDER your Pulse Common Shares**

Notice to United States Securityholders:

The Seitel Offer is in respect of securities of a Canadian issuer, and while the issuer is subject to continuous disclosure requirements in Canada, securityholders should be aware that these requirements are different from those in the United States. The enforcement by United States securityholders of civil liabilities under United States federal securities laws may be adversely affected by the fact that the issuer is located in a foreign country and that some of its directors and officers are residents of a foreign country.

August 24, 2007

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Directors' Circular are "forward looking statements". Forward looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", or other similar words, or statements that certain events or conditions "may" or "will" occur. Forward looking statements are not based on historical facts but rather on expectations regarding Pulse Data's future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of business prospects and opportunities as of the date hereof. Such forward looking statements reflect current beliefs and assumptions and are based on information currently available. Forward looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with the impact of general economic conditions, industry conditions, governmental regulation, currency fluctuations, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources, and other factors, many of which are beyond the control of Pulse Data.

DEFINITIONS

In this Directors' Circular, the following terms shall have the meanings set forth below:

"**2D**" means two-dimensional;

"**3D**" means three dimensional;

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended;

"**Board**" means the board of directors of Pulse Data;

"**CBCA**" means the *Canada Business Corporations Act*, as amended;

"**Directors' Circular**" means this circular of the Board recommending rejection of the Seitel Offer;

"**Offer Documents**" means, collectively, the Seitel Offer, the take-over bid circular accompanying the Offer and the related letter of transmittal and notice of guaranteed delivery;

"**Offer Price**" means \$3.10 cash per Pulse Data Share;

"**Offeror**" means 6818862 Canada Inc., a corporation incorporated under the laws of Canada and an indirect wholly-owned subsidiary of Seitel, Inc.;

"**OSC Rule 61-501**" means Rule 61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* of the Ontario Securities Commission;

"**Pulse Data**" means Pulse Data Inc., a corporation incorporated under the CBCA;

"**Pulse Data Options**" means the outstanding stock options under Pulse Data's stock option plan, each option entitling the holder thereof to acquire one Pulse Data Share at prices ranging from \$0.96 to \$3.15 per share;

"**Pulse Data Shares**" means common shares in the capital of Pulse Data;

"**Quantum**" means Quantum Yield Inc., a corporation incorporated under the laws of the *Business Corporations Act* (Alberta);

"**Quantum Offer**" means the unsolicited takeover bid made by Quantum on June 19, 2007 to acquire all of the issued and outstanding Pulse Data Shares for a nominal \$3.05 aggregate principal amount of 10% convertible secured retractable debentures;

"**Securities Authorities**" means the securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof;

"**Securities Laws**" means the CBCA and applicable Canadian provincial securities laws;

"**Seitel**" means Seitel, Inc., as further described in the Offer Documents;

"**Seitel Offer**" means the unsolicited offer by the Offeror to purchase all of the outstanding Pulse Data Shares dated August 10, 2007, as amended by Notice of Variation dated August 22, 2007, the terms and conditions of which are set forth in the Offer Documents;

"**Shareholders**" means the holders of Pulse Data Shares, from time to time, and "**Shareholder**" means any one of them;

"**TSX**" means the Toronto Stock Exchange; and

"**ValueAct Capital**" means, collectively, ValueAct Capital Master Fund, L.P., and ValueAct Capital Master Fund III, L.P., as further described in the Offer Documents.

THE SEITEL OFFER

This Directors' Circular is issued by the Board of Directors of Pulse Data in relation to the unsolicited offer (the "**Seitel Offer**"), dated August 10, 2007, as amended by Notice of Variation dated August 22, 2007, by 6818862 Canada Inc. (the "**Offeror**"), an indirect wholly-owned subsidiary of Seitel, Inc. to acquire all of the issued and outstanding common shares of Pulse Data for consideration of \$3.10 cash per share, all upon the terms and subject to the conditions set forth in the Seitel Offer and the accompanying takeover bid circular (the "**Offer Documents**"). The Seitel Offer is currently scheduled to expire at 5:00 p.m. (Toronto time) on September 18, 2007 unless extended or withdrawn.

Information herein relating to the Offeror, Seitel and the Seitel Offer has been derived from the Offer Documents. Neither Pulse Data nor the Board assumes any responsibility for the accuracy or completeness of such information.

UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board believes that the Seitel Offer is inadequate and is significantly below the value of the Pulse Data Shares. **The Board unanimously recommends that Pulse Data Shareholders REJECT the Seitel Offer and NOT TENDER their Pulse Data Shares to the Seitel Offer.**

NO NEED FOR IMMEDIATE ACTION

As a Pulse Data Shareholder, there is no need for you to do anything immediately. The Seitel Offer is currently scheduled to expire on September 18, 2007, unless extended or withdrawn. If you have already tendered Pulse Data Shares to the Seitel Offer, you should withdraw them as described in the Offer Documents.

BACKGROUND TO THE OFFER

Seitel previously made a written proposal to Pulse Data in July 2005 to acquire all of the issued and outstanding common shares of Pulse Data pursuant to a take-over bid or plan of arrangement for total consideration of \$119.9 million (approximately equivalent to \$2.60 per share), up to \$50 million of which could be paid, in the event the transaction was effected as a plan of arrangement, in the form of exchangeable shares that would have been exchangeable on a 1-to-1 basis for common shares of Seitel. The proposed transaction was subject to satisfactory completion of due diligence and other conditions. Such proposal was thoroughly considered by the Board at that time; however it was determined that the execution of Pulse's business plan was expected to deliver higher value for shareholders than Seitel's proposal.

On June 20, 2007, representatives of Seitel contacted representatives of Pulse Data following the announcement of the Quantum Offer on June 19, 2007 (see "Prior Offers - Quantum Offer"), to inform them that ValueAct Capital would submit a written proposal on behalf of Seitel to acquire all of the equity interests of Pulse Data. Such written proposal was received by Pulse Data on June 20 and involved an offer to acquire all of the equity interests of Pulse Data pursuant to a plan of arrangement for \$3.10 per Pulse Data Share in cash, subject to the favourable completion of due diligence and other conditions. On June 21, 2007, Pulse Data advised Seitel that Pulse Data had received, and that the Board would consider, the proposal submitted by ValueAct Capital on behalf of Seitel.

The Board met on June 22, 2007 to thoroughly review and consider both the Quantum Offer and the proposal submitted by ValueAct Capital on behalf of Seitel, and unanimously resolved to reject both proposals. With respect to the Seitel proposal, the Board relied upon its extensive consideration earlier in 2007 of another proposal from a private equity fund (see "Prior Offers - Proposed Going Private Transaction"). On July 3, 2007, following the decision of the Alberta Securities Commission to cease trade the Quantum Offer on June 29, 2007, Seitel was informed by Pulse Data that Pulse Data was rejecting the June 20 proposal.

On August 3, 2007, ValueAct Capital issued a press release and filed an early warning report indicating that they had acquired 7,360,500 Pulse Data Shares, representing approximately 13.5% of the issued and outstanding Pulse Data Shares, and were considering making a formal takeover bid to the Pulse Data Shareholders.

Late on August 10, 2007, a copy of the Seitel Offer was delivered to the offices of Pulse Data and, on August 13, 2007, the Offeror and Seitel placed advertisements in newspapers to commence the Seitel Offer. The Board held a meeting on August 13, 2007 to thoroughly review the Seitel Offer. After hearing from legal counsel and its financial advisors, the Board unanimously resolved to recommend that Shareholders reject the Seitel Offer. Again, the Board relied upon its consideration of the earlier private equity fund proposal (see "Prior Offers - Proposed Going Private Transaction"), as well the positive developments in Pulse Data's business in the second quarter of 2007. The Board also appointed a Special Committee comprised of Messrs. Graham Weir, Donald West and Arthur Dumont, each of whom is independent of management, to review all strategic alternatives for Pulse Data to enhance shareholder value, including seeking superior proposals for the acquisition of Pulse Data. The Board also continued the retainer of William Blair & Company, of Chicago, Illinois as independent financial advisors to assist in this process and established an electronic data room for interested parties. On the same date, the Board also adopted a Shareholder Rights Plan for the protection of Shareholders in respect of hostile takeover bids, such as the Seitel Offer (see "Material Changes - Shareholder Rights Plan").

Pulse Data issued a press release on August 13, 2007 unanimously recommending that shareholders reject the Seitel Offer and not tender their Pulse Data Shares to the Seitel Offer, the Board being of the opinion that the Seitel Offer is inadequate and significantly below the value of the Pulse Data Shares, and that the Board and management were unanimous in the view that Pulse Data's business plan of growing the seismic data library through strategic, high-quality seismic data acquisitions and participation surveys offers attractive growth potential and superior value for all shareholders. In the press release, Pulse Data also announced that the Special Committee had been formed to review strategic alternatives for Pulse Data to enhance shareholder value, including seeking superior proposals for the acquisition of Pulse Data. Pulse Data issued a further press release on August 13, 2007 announcing the adoption of the Shareholder Rights Plan by the Board.

On August 17, 2007, William Blair began soliciting indications of interest from parties who may be interested in engaging in discussions with Pulse Data with respect to a potential transaction. To date, a number of potential strategic and financial buyers have been contacted, eight of which have entered into

confidentiality and standstill agreements with Pulse Data under which they have been provided with a confidential information memorandum and access to the electronic data room. A number of other parties have had preliminary discussions with William Blair about engaging in the bid process.

On August 22, 2007, the Offeror issued a Notice of Variation to amend the Seitel Offer in order to reflect the adoption by Pulse Data of the Shareholder Rights Plan.

On August 23, 2007, the Board met and approved this Directors Circular and a Notice of Meeting and Information Circular for a special meeting of Shareholders called to approve the Shareholder Rights Plan.

REASONS FOR THE BOARD'S CONCLUSION AND RECOMMENDATION

The Board of Directors has carefully reviewed and considered the Seitel Offer, with the benefit of advice from its legal and financial advisors. Set forth below are the principal reasons for the **UNANIMOUS RECOMMENDATION** of the Board to Pulse Data Shareholders that they **REJECT** the Seitel Offer and **NOT TENDER** their Pulse Data Shares to the Seitel Offer.

All of these reasons should be read with the general understanding that the Board is highly confident in the future of Pulse Data and the continued success of its business plan which is strongly supported by Pulse Data's experienced management team, top-performing sales force and excellent reputation within the oil and gas industry. The Board has also formed a Special Committee of independent directors to review strategic alternatives for Pulse Data to enhance shareholder value, and has retained William Blair & Company to act as financial advisors to solicit interest from other parties to determine if superior competing offers or alternative proposals are available.

1. The Offer Price stated in the Offer Documents is incorrect and thus misleading.

The Offer Documents state that Seitel will pay \$3.10 cash for each Pulse Data Share. However, the Offer Price is in reality only \$3.0625 per Pulse Data Share. Under the Seitel Offer, the offer price is to be reduced by any dividend declared on or after August 10, 2007. As Pulse Data previously indicated its intention in its news release on July 10, 2007, Pulse Data announced on August 13, 2007 its seventeenth consecutive quarterly dividend of \$0.0375 per Pulse Data Share.

2. The Offer Price is financially inadequate.

The Board does not believe that the Seitel Offer reflects the underlying value of Pulse Data or its assets. Both the Offer Price and the true consideration offered under the Seitel Offer of \$3.0625 per Pulse Data Share are less than the closing market price of the Pulse Data Shares of \$3.11 on the TSX on August 13, 2007, the day after the announcement of the Seitel Offer. In addition, the true offer price of \$3.0625 provides only a tiny 3.11% premium to the volume weighted average trading price of the Pulse Data Shares on the TSX of \$2.97 for the 30 trading days immediately preceding the date of the Seitel Offer, and is in the low end of the draft valuation range of the Pulse Data Shares recently provided to the Board by Raymond James Ltd. in connection with a separate prior private equity fund proposal that indicated, as of May 9, 2007, subject to further analysis and certain assumptions, qualifications and limitations, and subject to formal review by an internal committee of Raymond James Ltd., the fair market value of the Pulse Data Shares was in the range of \$2.90 to \$3.50 (see "Prior Offers" and "Prior Valuations"). Moreover, this draft valuation range provided by Raymond James Ltd.:

- (a) assumes that Pulse Data incurs \$7.8 million per annum of general and administrative costs (the majority of which could be eliminated by a strategic buyer of Pulse Data's business, such as Seitel); and
- (b) does not take into account the subsequent positive developments in Pulse Data's business, including the record seismic data library sales revenue and Cash EBITDA in the second quarter of 2007, the value of Pulse Data's recent 3D seismic data acquisition from Arcis Corporation, the 3D participation survey that is in progress, or the \$17.4 million private placement recently completed by Pulse Data, all of which, in the opinion of the Board, have had a positive effect on the value of Pulse Data.

Raymond James Ltd. did not provide a final formal valuation report to the Board or any committee thereof.

3. The Seitel Offer fails to adequately compensate Shareholders for the value of Pulse Data's record first half 2007 seismic data sales revenues and Cash EBITDA.

The Board believes that the Offer Price of the Seitel Offer is significantly below the value of the Pulse Data Shares. In particular, the Offer Price does not adequately account for the record revenues from data library license sales recorded by Pulse Data in the first fiscal half of 2007, nor does it account for the significant increase in Pulse Data's Cash EBITDA.

Pulse Data generates revenue from licensing data from its library and by designing and operating participation seismic surveys of new seismic data. The following table presents Pulse Data's revenue from seismic data library license sales and Cash EBITDA for its core seismic operations for the years ended December 31, 2004, 2005 and 2006, and for the trailing twelve month period ended June 30, 2007. EBITDA and Cash EBITDA are not standard measures under generally accepted accounting principles and may not be comparable to similar measures presented by other issuers. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Cash EBITDA represents EBITDA less participation survey revenue, which is cash provided by clients to fund new seismic data surveys, plus non-cash and non-recurring expenses. Shareholders may find Cash EBITDA a useful metric when assessing the value of Pulse's ongoing seismic business. The financial results shown have been adjusted to reflect the elimination of public company costs and the Terrapoint and Trango business segments which plan to be or have been divested by Pulse Data.

	For the twelve months ended December 31,			
	2004	2005	2006	LTM⁽¹⁾
	<i>(Unaudited, in thousands)</i>			
Data Library License Sales	\$25,674	\$34,905	\$34,214	\$38,632
Cash EBITDA ⁽²⁾	\$21,161	\$28,033	\$26,916	\$31,565

Notes:

- (1) Represents the twelve month period ended June 30, 2007.
- (2) The following table reconciles Cash EBITDA with Pulse Data's reported net income or loss for the periods indicated:

	For the twelve months ended December 31,			
	2004	2005	2006	LTM⁽¹⁾
	<i>(Unaudited, in thousands)</i>			
Cash EBITDA	\$21,161	\$28,033	\$26,916	\$31,565
Interest	(1,264)	(1,009)	(1,106)	(1,746)
Taxes	(5,461)	(3,921)	3,050	(126)
Depreciation and Amortization	(22,973)	(21,650)	(22,937)	(23,519)
Loss before taxes from Terrapoint and Trango	(2,573)	(3,705)	(10,673)	(2,519)
Non-cash and non-recurring expenses	(674)	(900)	(1,072)	(1,669)
Public company costs	(413)	(366)	(526)	(721)
Participation survey revenue	19,916	10,006	3,058	-
Net Income (Loss)	7,719	6,488	(3,290)	1,265

The true consideration of \$3.0625 per share offered under the Seitel Offer is equivalent to only 5.3 times Pulse Data's trailing twelve month Cash EBITDA, based on the number of Pulse Data Shares outstanding and Pulse Data's net debt position at June 30, 2007. Based on Pulse Data's review of recent acquisition transactions involving seismic data companies, the median transaction price was 7.5 times trailing twelve month Cash EBITDA.

4. The Seitel Offer does not adequately reflect and value Pulse Data's recent 3D seismic data acquisition from Arcis Corporation and the 3D participation survey that is in progress.

On July 31, 2007, Pulse Data acquired the remaining 50 percent interest in certain seismic data owned jointly with Arcis Corporation, consisting of 1,388 net square kilometres of 3D seismic data and 65 net kilometres of 2D seismic data, for \$11.1 million, bringing Pulse Data's interest in this data to 100 percent. This data has in the past generated significant data library license sales, and management expects that the increase in Pulse Data's ownership from 50% to 100% will result in an increase in data library license sales revenues and Cash EBITDA for Pulse Data in the future.

On July 11, 2007, Pulse Data commenced a 3D seismic participation survey consisting of a minimum of 150 net square kilometres in the Deep Basin area of west-central Alberta. Pulse Data expects to deliver the seismic 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 Pulse Data to commence licensing of the seismic data immediately after delivery.

5. The Seitel Offer does not adequately reflect the anticipated disposition of Terrapoint.

Pulse Data continues to work towards a disposition of the Terrapoint business unit by the end of the third quarter of 2007. The Board and management expect that the disposition of the Terrapoint business unit will have a positive effect on Pulse Data's financial results. Going forward, the Board and management of Pulse Data are committed to a business plan focused solely on the seismic data library business. Upon completion of the Terrapoint disposition, Pulse Data will have a total of approximately 25 employees and expects to achieve a significant reduction in general and administrative expenses. Management expects that Pulse Data will be able to continue to grow its seismic business without any significant increase in the number of employees or general and administrative expenses.

6. The Seitel Offer is opportunistic.

The Board of Directors believes that the Seitel Offer is opportunistically timed to take advantage of a recent period of general decline in stock market values. Specifically, the Seitel Offer was made at the end of a week in which the TSX Composite Index lost 99 points and the end of a four week period in which the TSX Composite Index lost 1,030 points.

7. The purported premium to the share price prior to the Quantum Offer included in the Seitel Offer is based upon price data that is outdated and meaningless.

The Seitel Offer indicates that it is being made at an 11.9% premium to the market price of the Pulse Data Shares based on the closing price of \$2.77 of the Pulse Data Shares on the TSX on June 18, 2007, the last trading day prior to the announcement of the Quantum Offer. Using the announcement of the Quantum Offer as a price reference from which to calculate the premium

being offered to Shareholders is meaningless and is almost two months out of date. As mentioned above, the Offer Price is actually below the \$3.11 closing price of the Pulse Data Shares on the TSX on August 13, 2007, which is the day after the Seitel Offer was announced. A number of positive developments in Pulse Data's business plan have occurred and been announced since June 2007.

8. The purported premium to the recent private placement price is misleading.

It is common knowledge that private placements are issued at a discount to market price due to the statutory hold period that is placed on the shares issued in private placements.

9. The Seitel Offer is highly conditional and a majority of Pulse Data Shareholders have indicated to Pulse Data their intention to reject the offer.

The Seitel Offer contains a number of conditions for the benefit of the Offeror, including that it be provided with access to certain non public information concerning Pulse Data, and that it be satisfied in its reasonable judgement with its review of agreements and other instruments to which Pulse Data or any of its properties or assets are subject. In addition, the directors and senior officers of Pulse Data, together with their respective associates, in addition to Leith Wheeler Investment Counsel Ltd. and other significant shareholders and certain consultants, representing in aggregate approximately 51% of the fully diluted Pulse Data Shares, have indicated their intention to reject the Seitel Offer, not tender their respective Pulse Data Shares to the Seitel Offer and continue to hold their Pulse Data Shares

OTHER PRIOR OFFERS

Proposed Going-Private Transaction

In December 2006, management of Pulse Data was approached on a confidential basis by a private equity fund (the "proposed private equity acquiror") about the possibility of a going private transaction. Preliminary discussions ensued among representatives of management, the Board and the proposed private equity acquiror. On January 10, 2007, Pulse Data and the proposed private equity acquiror entered into a confidentiality and standstill agreement, following which the proposed private equity acquiror was granted access to certain non-public information of Pulse Data in order to enable it to make an informed acquisition proposal. Following preliminary due diligence, the proposed private equity acquiror presented Pulse Data with a letter of interest dated February 12, 2007 indicating its willingness to proceed with a possible going private transaction. In response to such letter of interest, the Board formed an Independent Committee of directors, comprised of Messrs. Graham Weir (Chair), Don West and Clark Zentner, with a mandate to, among other things, deal with the expression of interest from the private equity fund and with any other expression of interest that may be received from any other party, and to consider and make recommendations to the Board as to whether alternative acquisition proposals should be solicited, and as to whether any proposed transaction was in the best interests of Pulse Data. The Independent Committee was also authorized to retain independent legal and financial advisors and other advisors considered desirable and appropriate, including an independent valuator for the purposes of obtaining any "formal valuation" of the Pulse Data Shares that may be required in accordance with OSC Rule 61-501.

On March 1, 2007, the Independent Committee retained Macleod Dixon LLP to act as its independent legal counsel. On March 7, 2007, the Independent Committee met with Macleod Dixon LLP and were counselled as to their fiduciary and other duties in the context of an acquisition proposal. Macleod Dixon LLP also reviewed the requirements of OSC Rule 61-501 as it might pertain to the

transaction, in view of the proposed private equity acquiror's desire to retain and provide new incentives to management under its proposal. At this meeting, the Independent Committee also discussed appropriate candidates to retain as independent financial advisors to the Independent Committee. Representatives from the proposed private equity acquiror met briefly with the Independent Committee at this meeting and again expressed their interest in proceeding with a transaction but indicated that they would not make a proposal until the Independent Committee invited them to do so.

During meetings held on March 19 and 20, 2007, the Independent Committee interviewed candidates to act as financial advisors to the Independent Committee, eventually deciding to retain William Blair & Company ("William Blair") from Chicago, Illinois. On April 2 and 3, 2007, the Independent Committee again met with its legal counsel and William Blair to finalize the engagement of William Blair as financial advisor. William Blair was chosen by the Independent Committee because it had, in particular, acted in the process for the sale of Seitel (ultimately, to ValueAct Capital) in 2006, and therefore had familiarity with Pulse Data's business (Seitel is also in the seismic data business) and with the market for prospective bidders in a corporate sale process. At the April 3, meeting, the Independent Committee and its legal and financial advisors also further discussed a potential transaction with the proposed private equity acquiror and determined that further discussions should take place with the proposed private equity acquiror in that regard.

On April 10, 2007, the Independent Committee and its advisors met by telephone with representatives of the proposed private equity acquiror to receive and discuss its proposal for a going private transaction. The proposal made was for an all-cash takeover bid for \$3.10 (Canadian) per Pulse Data Share with a restriction on the ability of Pulse Data to declare and pay any further dividends. The proposal also permitted a limited "go-shop" period during which Pulse Data would be permitted to solicit alternative acquisition proposals following the execution of a Support Agreement with the proposed private equity acquiror, a draft of which was provided to the Independent Committee and its advisors for their review. Following the presentation from the proposed private equity acquiror, the Independent Committee met separately with its legal and financial advisors to discuss the merits of the proposal. The view of the Independent Committee was that the proposed transaction price was too low, especially in light of the restriction on the payment of further quarterly dividends to Pulse Data Shareholders. There were other aspects of the proposal that were not acceptable to the Independent Committee, including the period of 30 days as the proposed go-shop period which William Blair advised was not sufficient to conduct a meaningful solicitation process. It was also a condition of the proposal that no public announcement of any transaction be made until the parties had entered into an agreement in writing with respect to the proposed acquisition. The proposed private equity acquiror also indicated that it would not participate in a public auction process involving Pulse Data.

On April 14, 2007, another meeting of the Independent Committee was held with its legal counsel and financial advisors to further discuss the acquisition proposal. After a thorough discussion of the various terms of the proposal, the Independent Committee developed a formal response to be delivered to the proposed private equity acquiror through representatives of William Blair. It was determined that the Independent Committee would not respond with a price until it had an opportunity to retain an independent valuator and seek its preliminary views as to the valuation of the Pulse Data Shares. Following the discussion of the acquisition proposal, the Independent Committee met separately with its legal counsel to discuss potential candidates that could be engaged to provide the Independent Committee with an independent valuation of the Pulse Data Shares. On April 16 and 17, the Independent Committee interviewed candidates to provide the independent valuation retained Raymond James Ltd. ("Raymond James") for such purpose, having determined that Raymond James was qualified to perform the independent valuation and met the requirement for independence under OSC Rule 61-501.

Further meetings of the Independent Committee and its legal and financial advisors were held on April 20 and 21, 2007. At these meetings, representatives from William Blair reviewed, for the benefit of the Independent Committee, their preliminary views as to the valuation analysis for the Pulse Data Shares. William Blair also presented the Independent Committee with a number of indicative valuation ranges for the Pulse Data Shares based on different valuation methodologies (see "Prior Valuations"). After thorough discussions as to the valuation of the Pulse Data Shares, the Independent Committee authorized William Blair to respond to the proposed private equity acquiror with a price at which the Independent Committee would be willing to entertain further discussions.

The Independent Committee next met on April 27 to receive an update from William Blair as to the discussions that had taken place with the proposed private equity acquiror with respect to the Independent Committee's response to the acquisition proposal. The proposed private equity acquiror had agreed to increase the offer price to \$3.15 but did not agree to remove the restrictions on declaring and paying further dividends. Other aspects of the acquisition proposal had also been revised and these were reviewed in detail. The Independent Committee met again on May 1, 2007 to receive an update on the status of the Raymond James valuation and to review in detail with legal counsel the proposed revisions to the Support Agreement.

A further meeting of the Independent Committee was held on May 4, 2007 to get an update from legal counsel and William Blair as to the status of the negotiations on the Support Agreement and to receive a presentation from Raymond James as to its preliminary views on the valuation range for the Pulse Data Shares. Based on the preliminary views from Raymond James, the proposed transaction price was below the fair value range. Following the meeting with Raymond James, the Independent Committee reconvened with William Blair and updated them as to the views of Raymond James as to the valuation range. It was agreed that the Chair of the Independent Committee would continue to work with Raymond James with a view to finalizing the valuation range.

On May 5, 2007, the full Board of Pulse Data convened and received an update from the Independent Committee and its legal and financial advisors as to the status of negotiations with the proposed private equity acquiror and the valuation work of Raymond James. The Independent Committee met following the Board meeting to further review the valuation analysis and other outstanding issues concerning the acquisition proposal. Further meetings with legal counsel and the financial advisors were also held on May 6 and 7 to update the Independent Committee on the status of the continuing negotiations and the valuation work.

On May 8, 2007, the Independent Committee met again with its legal counsel and with outside counsel to Pulse Data. Outside counsel to Pulse Data had reviewed the latest draft of the Support Agreement and was asked by the Independent Committee to provide its views thereon. Following this presentation, the Independent Committee reviewed its list of business issues with respect to the latest version of the Support Agreement. The Independent Committee then met separately with its legal counsel and Raymond James to receive its updated valuation presentation. Based on its work to date, and subject to further analysis, assumptions, qualifications and limitations discussed in its presentation and subject to formal review by an internal committee of Raymond James, Raymond James presented the Independent Committee with its draft valuation analysis which valued the Pulse Data Shares between \$2.90 and \$3.50 per share. The Independent Committee placed greater weight on the valuation analysis conducted by Raymond James than that provided by William Blair, given Raymond James' status as an independent valuator for purposes of OSC Rule 61-501, having no financial incentives in respect of the conclusion reached in its valuation or the outcome of the transaction, and the greater emphasis Raymond James placed on the discounted cash flow approach to valuation. Raymond James did not provide a final formal valuation report to the Independent Committee or the Board.

The Board of Pulse Data convened on May 9, 2007 to receive an update from the Independent Committee and its legal and financial advisors on the status of negotiations, and from Raymond James with respect to its valuation analysis. William Blair also presented an analysis to the Board of the potential value of the Pulse Data Shares under different valuation methodologies, as well as an analysis of the transaction multiples and premium being offered under the proposed transaction as compared with other comparable public companies and precedent transactions. The Independent Committee advised the Board of its views on the valuation range and outlined the business issues that remained with the acquisition proposal, the principal issues being: (a) the \$3.15 offer price being at the low end of the valuation range provided by Raymond James, although there was an ability to solicit superior proposals during the go-shop period; (b) the restriction on the ability of Pulse Data to declare and pay quarterly dividends to Shareholders which effectively reduced the \$3.15 offer price to \$3.1125; (c) the Independent Committee was not satisfied that the length of the go-shop period that the proposed private equity acquiror would agree to was sufficient to provide a meaningful post-signing market check; and (d) the proposed private equity acquiror would not agree to a provision in the Support Agreement that would allow the Board to change its recommendation to Shareholders with respect to the transaction, in the proper exercise of its fiduciary duties, in light of circumstances which may arise following the signing of the Support Agreement and prior to the completion of the proposed transaction. The Independent Committee advised the Board that it was not prepared to recommend that the acquisition proposal be accepted unless a satisfactory resolution to the foregoing issues could be achieved, and the Board concurred with this position.

On May 10, 2007 the Independent Committee advised the proposed private equity acquiror of Pulse Data's position on the principal issues outlined above and was advised by the proposed private equity acquiror that it was not prepared to negotiate further on these points. Further discussions with the proposed private equity acquiror then terminated.

Quantum Offer

Quantum, a newly-formed corporation incorporated under the *Business Corporations Act* (Alberta), launched an unsolicited takeover bid to purchase all of the issued and outstanding Pulse Data Shares by way of a newspaper advertisement on June 19, 2007. The Quantum Offer was to expire on July 25, 2007, and purportedly offered each Pulse Data Shareholder an "aggregate principal amount of \$3.05 in 10% aggregate, secured retractable debentures".

Pulse Data issued a press release on June 20, 2007 stating that the Board would review the Quantum Offer in detail but that there were serious concerns given the unusual and speculative nature of the securities being offered, and advising Shareholders to defer tendering to the Quantum Offer until the directors had an opportunity to review the Quantum Offer in more detail and make a recommendation.

Management of Pulse Data reviewed the Quantum Offer in detail with Pulse Data's legal counsel. The Quantum Offer appeared to contain a number of serious deficiencies with respect to compliance with applicable securities law requirements. On June 20, 2007, Pulse Data's counsel contacted the ASC to advise of these concerns.

On June 22, 2007, the Board met to consider an appropriate response to the Quantum Offer. It was determined that an application should be made to the ASC for an order to have the Quantum Offer cease traded and that the Board would recommend that shareholders reject the Quantum Offer for numerous reasons. On Monday, June 25, 2007, prior to the opening of markets, Pulse Data issued a press release disclosing its decision to apply to the ASC for the cease trade order and unanimously recommending that shareholders reject the Quantum Offer.

On June 25, 2007, Leith Wheeler Investment Counsel Ltd., the largest single Shareholder of Pulse Data, whose clients then owned 5,555,610 Shares or approximately 11.6% of the then outstanding Pulse Data Shares, issued a press release stating that the Quantum Offer for Pulse Data is:

...inadequate as it uses the company's own balance sheet to finance the transaction....we believe shareholders are best served by having Pulse Data remain a public company and to allow for the management team to execute its business plan. We will not accept this offer and we are not asking the company to solicit other bids.

Following receipt of ASC staff submissions concerning Pulse Data's application for the ASC cease trade order, Quantum withdrew the Quantum Offer on June 29, 2007, shortly before the ASC hearing commenced. Notwithstanding the withdrawal by Quantum of the Quantum Offer, the ASC heard Pulse Data's application, and granted a cease-trade order, prohibiting further distribution of the offer and trading in securities in respect of the offer.

PRIOR VALUATIONS

The only valuation information that may constitute a "prior valuation" (within the meaning of OSC Rule 61-501) in respect of the Pulse Data Shares that have been made in the preceding 24 months and which are known, after reasonable inquiry, to Pulse Data or to any director or senior officer of Pulse Data, is summarized below.

Each of the prior valuations is available for inspection at the offices of Pulse Data at Suite 2400, 639 - 5 Avenue S.W., Calgary, Alberta, T2P 0M9. A copy of such prior valuations will be sent to any Pulse Data Shareholder or Optionholder upon request and without charge by such Pulse Data Shareholder or Optionholder requesting same from Pulse Data at the foregoing address.

It is emphasized that none of these prior valuations were formal valuations for purposes of OSC Rule 61-501 and none were prepared in a format intended for public disclosure. In addition, none of the prior valuations have been updated to take into account events occurring subsequent to the date of such valuation, including the recent positive developments in Pulse Data's business which include the record seismic data library sales revenues and Cash EBITDA for the second quarter of 2007, the value of Pulse's recent 3D seismic data acquisition from Arcis Corporation, the 3D participation survey that is in progress, or the \$17.4 million private placement (and the issue of 6,440,000 Pulse Data Shares) recently completed by Pulse Data, and in the case of Dundee Securities Corporation, the Explor acquisition and related debt financings in late 2006, all of which, in the opinion of the Board, have had a positive effect on the value of Pulse. Each of the prior valuations was prepared before the recent private placement by Pulse Data, and therefore at a time when Pulse Data had a lesser number of shares outstanding.

EACH OF THESE VALUATORS COULD COME TO DIFFERENT CONCLUSIONS TODAY, AND THE DIFFERENCES COULD BE MATERIAL. SHAREHOLDERS ARE URGED TO BE CAUTIOUS IN THEIR USE OF THIS OUTDATED VALUATION INFORMATION.

Dundee Securities Corporation

On October 2, 2006, Dundee Securities Corporation ("Dundee") made a confidential presentation to the Board regarding the merits of Pulse Data converting to an income trust structure. Dundee was not retained to prepare a valuation of Pulse Data or its shares, however for purposes of assessing a conversion to an income trust, the Dundee presentation included an analysis of Pulse Data's then market valuation and concluded that the Pulse Data Shares were undervalued when compared with their intrinsic value,

market comparables and other valuation benchmarks. The Dundee presentation also included an indicative range of values respecting Pulse Data's market capitalization under an income trust structure based on market conditions at the time, where investors would be more focused on Pulse Data's cash flow, of between \$170 million to \$202 million (equivalent to approximately \$3.54 to \$4.22 per share) based on assumptions for 2007 and 2008, including estimated cash available for distribution of \$20.2 million in 2007 and \$23.8 million in 2008, a required trust unit yield of 8.5% to 10.0%, and a payout ratio of 80% to 90%. This represented a potential increase of 41% to 69% over Pulse Data's then market valuation of \$120 million (approximately \$2.50 per share). Dundee has advised Pulse Data that its valuation analyses in its presentation were preliminary in nature and were based solely on publicly available information and information provided by Pulse Data's management concerning Pulse Data and its securities, without any independent investigation by Dundee. Dundee undertook no obligation to update its presentation for changes in Pulse Data's assets or financial results, market conditions or otherwise.

Valuation Information in respect of Proposed Going-Private Transaction

As indicated above, in connection with the consideration by the Board and the Independent Committee earlier this year of a proposed going-private transaction (see "Prior Offers - Proposed Going Private Transaction"), William Blair was retained to provide financial advisory services to the Independent Committee and, in particular, to conduct a sales process to seek alternative proposals, and Raymond James was retained to provide an independent valuation which would be required pursuant to OSC Rule 61-501 if the proposed transaction proceeded. As the proposed going-private transaction did not proceed, neither William Blair nor Raymond James provided any final assessment of value of Pulse Data or its shares, however each of them provided valuation information to the Independent Committee and the Board during the negotiation process.

At the time the analyses were received, the Independent Committee placed greater weight on the valuation analysis conducted by Raymond James than that provided by William Blair given Raymond James' status as an independent valuator for purposes of OSC Rule 61-501, having no financial incentives in respect of the conclusion reached in its valuation or the outcome of the proposed transaction and the greater emphasis Raymond James placed on the discounted cash flow approach to valuation.

Raymond James

On May 9, 2007, Raymond James presented its draft valuation analysis to the Independent Committee and the Board as to the valuation range for the Pulse Data Shares (see "Prior Offers - Proposed Going Private Transaction"). Raymond James determined that, of various valuation methodologies, the discounted cash flow analysis and the precedent transaction analysis were most appropriate in the circumstances. Based on and subject to the assumptions and limitations contained in such valuation analysis, and subject to formal review by an internal committee of Raymond James, Raymond James indicated that the fair market value of the Pulse Data Shares was in the range of \$2.90 to \$3.50 per share based mainly on a discounted cash flow analysis. Raymond James did not provide a final formal valuation report to the Independent Committee or the Board.

William Blair

On April 21, 2007, William Blair delivered a valuation analysis to the Independent Committee in the context of the proposed private equity transaction, which contained a number of indicative valuation ranges for the Pulse Data Shares based on the following different valuation methodologies:

- (a) a leveraged buyout analysis which analyzed the values under which a typical leveraged buyout could be completed under established return parameters;
- (b) a stand-alone earnings accretion/dilution analysis which analyzed pro form earnings accretion/dilution with respect to the value at which the earnings of Pulse Data would "break-even";
- (c) a comparable public companies analysis which analyzed trading multiples of public companies comparable to Pulse Data in the opinion of William Blair;
- (d) a comparable transactions analysis which analyzed multiples in precedent transactions comparable to the proposed private equity transaction in the opinion of William Blair; and
- (e) a discounted cash flow analysis which analyzed free cash flows generated from Pulse Data's existing library discounted to June 30, 2007, based on preliminary guidance that William Blair had received from management of Pulse Data and William Blair's independent due diligence.

The following table summarizes the valuation ranges for Pulse Data, on an enterprise basis, and for the Pulse Data Shares, on a per share basis, presented by William Blair under the foregoing valuation methodologies, which valuation methodologies are based upon and subject to the assumptions and limitations contained in the William Blair valuation analysis, and are based on the number of common shares and common share equivalents and the net debt then outstanding:

Valuation Methodology	Pulse Data Enterprise Valuation Range	Per Share Valuation Range
Leveraged Buyout	\$170 million - \$205 million	\$2.90 - \$3.60
Stand-Alone Accretion/Dilution	\$160 million - \$190 million	\$2.71 - \$3.29
Comparable Public Companies	\$170 million - \$195 million	\$2.90 - \$3.39
Comparable Transactions	\$170 million - \$208 million	\$2.90 - \$3.65
Discounted Cash Flow (existing library)	\$105 million - \$120 million	\$1.60 - \$1.89

On May 9, 2007, William Blair delivered a presentation to the Board with respect to the value of the Pulse Data Shares under different valuation methodologies, as well as an analysis of the multiples and premium being offered under the proposed private equity transaction as compared with other comparable public companies and precedent transactions. Based upon and subject to the assumptions and limitations contained in the valuation analysis contained therein, and based on the number of common shares and common share equivalents and the net debt then outstanding, the presentation contains:

- (a) a discounted cash flow analysis which, based on various assumptions as to terminal values, discount and growth rates, valued Pulse Data Shares at between approximately \$107 million and \$230 million (between \$1.61 and \$4.11 per share) under a base case scenario which assumed certain ongoing capital investments into the seismic data library, and between approximately \$124 million and \$144 million (between \$1.96 and \$2.35 per share) under an existing library

scenario which assumed there would be no further capital investments into the seismic data library past December 31, 2006;

- (b) a leveraged buyout analysis which focused on target returns to potential private equity investors and valued the Pulse Data Shares at between approximately \$149 million and \$204 million (between \$2.47 and \$3.58 per share) based on certain assumptions as to Pulse Data's net debt and terminal value and appropriate multiples; and
- (c) a stand-alone earnings accretion/dilution analysis which valued the Pulse Shares at between approximately \$78 million and \$189 million (between \$1.02 and \$3.27 per share) by examining the maximum price at which an all cash acquisition would not be dilutive to an acquiror's 2008 and 2009 calendar earnings, based on projected results for 2008 and 2009, and making a number of assumptions as to potential synergies, interest rates for financing the acquisition, purchase price allocation and tax rates.

Shareholders are reminded that none of the prior valuations disclosed herein were formal valuations for purposes of OSC Rule 61-501 nor have any of them been updated for events occurring subsequent to the date of such prior valuation.

INTENTIONS OF DIRECTORS, SENIOR OFFICERS AND CERTAIN SHAREHOLDERS OF PULSE DATA WITH RESPECT TO THE OFFER

The Board has made reasonable enquiries of each director and senior officer of Pulse Data and their respective associates, and Leith Wheeler Investment Counsel Ltd. as a holder of more than 10% of the outstanding Pulse Data Shares, each of whom intends to reject the Seitel Offer. The directors and senior officers of Pulse Data, together with their respective associates, in addition to Leith Wheeler Investment Counsel Ltd. and other significant shareholders and certain consultants, representing in aggregate approximately 51% of the fully diluted Pulse Data Shares, have indicated their intention to reject the Seitel Offer, not tender their respective Pulse Data Shares to the Seitel Offer and continue to hold their Pulse Data Shares.

OWNERSHIP OF SECURITIES

As of the date hereof, Pulse Data's issued and outstanding share capital consisted of 54,456,753 Pulse Data Shares and no preferred shares.

The names of the directors and senior officers of Pulse Data, the positions held by them with Pulse Data and the number and percentage of securities beneficially owned, directly or indirectly, or over which control or direction is exercised by them and, to their knowledge after reasonable inquiry, their respective associates, are as follows:

Name and Position	Number and % of Outstanding Pulse Data Shares	Number and % of Outstanding Pulse Data Options
Douglas A. Cutts President, Chief Executive Officer and Director	58,000 (less than 1%)	520,000 (12.6%)
Donald West Director	8,000 (less than 1%)	100,000 (2.4%)

Name and Position	Number and % of Outstanding Pulse Data Shares	Number and % of Outstanding Pulse Data Options
Arthur Dumont Director	69,459 ⁽¹⁾ (less than 1%)	100,000 (2.4%)
Graham Weir Director	690,053 ⁽²⁾ (1.27%)	100,000 (2.4%)
Clark Zentner Director	72,700 (less than 1%)	100,000 (2.4%)
Peter Fuss Director	59,200 (less than 1%)	150,000 ⁽³⁾ (3.0%)
Daphne Corbett Director	8,500 ⁽⁴⁾ (less than 1%)	150,000 (3.6%)
Brent Gale Vice-President Operations and Chief Operating Officer	730,005 ⁽⁵⁾ (1.34%)	400,000 (9.7%)
Pamela Wicks Vice President Finance	Nil (0%)	213,334 (5.2%)
Norman Hall Corporate Secretary	25,000 (less than 1%)	140,000 (3.4%)

NOTES:

- (1) This figure includes 11,999 common shares held by Mr. Dumont's spouse.
- (2) This figure includes 4,200 common shares held by Mr. Weir's spouse, and 500,000 common shares held by Kewmont Inc., of which Mr. Weir is a shareholder.
- (3) This figure includes 25,000 Share Appreciation Rights.
- (4) This figure includes 6,500 common shares held by Ms. Corbett's spouse.
- (5) This figures includes 4,600 common shares held by DABL Ventures Inc., of which Mr. Gale is a shareholder, 600,005 common shares held by Breezy Holdings Inc, of which Mr. Gale is a shareholder and 12,500 common shares held by Mr. Gale's spouse.

After reasonable inquiry, the directors and senior officers of Pulse Data do not know of any person or corporation who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Pulse Data Shares as of the date hereof other than as set out below:

Name	Number of Pulse Data Shares Owned or Controlled	Percentage of Outstanding Pulse Data Shares
Leith Wheeler Investment Counsel Ltd.	6,271,110	11.5%
ValueAct Capital	7,360,500	13.5%

No securities of Pulse Data are owned, directly or indirectly, or controlled by any person acting jointly or in concert with Pulse Data.

TRADING IN SECURITIES OF PULSE DATA

None of Pulse Data, the directors and senior officers of Pulse Data nor, to the knowledge of the directors and senior officers of Pulse Data after reasonable inquiry, any of their respective associates, any person (other than ValueAct Capital) holding more than 10% of the Pulse Data Shares or any person acting jointly or in concert with Pulse Data, has traded in any securities of Pulse Data during the six month period preceding the date of this Directors' Circular except for the following:

Name	Date of Trade	Trade Price	Number of Pulse Data Shares Traded	Trade Description (Purchase or Sale)
Pulse Data Inc.	April 12, 2007	\$2.20	49,456	Issued pursuant to DRIP ⁽¹⁾
Donald T. West	May 22, 2007	\$1.65	45,000	Exercise of options
Donald T. West	May 23, 2007	\$2.63	1,800	Sale
Donald T. West	May 23, 2007	\$2.62	5,000	Sale
Donald T. West	May 23, 2007	\$2.61	5,000	Sale
Donald T. West	May 23, 2007	\$2.60	33,200	Sale
Pulse Data Inc.	May 29, 2007	\$2.56	20,000	Purchase ⁽²⁾
Pulse Data Inc.	June 7, 2007	\$2.60	1,800	Purchase ⁽²⁾
Pulse Data Inc.	June 11, 2007	\$2.60	12,200	Purchase ⁽²⁾
Pulse Data Inc.	June 18, 2007	\$2.75	200	Purchase ⁽²⁾
Pulse Data Inc.	June 20, 2007	\$2.53	44,522	Issued pursuant to DRIP ⁽¹⁾
Pulse Data Inc.	July 4, 2007	\$2.76	1,600	Purchase ⁽²⁾
Pulse Data Inc.	July 5, 2007	\$2.90	5,000	Purchase ⁽²⁾
Pulse Data Inc.	July 9, 2007	\$2.95	100,100	Purchase ⁽²⁾
Pulse Data Inc.	July 10, 2007	\$2.90	400	Purchase ⁽²⁾
Pulse Data Inc.	July 10, 2007	\$2.92	2,300	Purchase ⁽²⁾
Pulse Data Inc.	July 10, 2007	\$2.95	97,300	Purchase ⁽²⁾
Douglas A. Cutts	July 27, 2007	\$2.70	50,000	Purchase
Norman Hall	July 27, 2007	\$2.70	10,000	Purchase
Brent Gale	July 27, 2007	\$2.70	40,000	Purchase

NOTES:

(1) Dividend Reinvestment Plan

(2) Pursuant to normal course issuer bid

ISSUANCE OF SECURITIES OF PULSE DATA

No securities of Pulse Data have been issued to any of the directors or senior officers of Pulse Data during the two year period preceding the date hereof except for the following:

<u>Name</u>	<u>Date of Issue</u>	<u>Number of Pulse Data Options Granted</u>	<u>Number of Pulse Data Shares Issued</u>	<u>Price or Exercise Price per Security</u>
Pamela Wicks	November 14, 2005	-	16,666	\$1.65
Daphne Corbett	November 15, 2005	50,000	-	\$2.28
Arthur Dumont	November 15, 2005	50,000	-	\$2.28
Peter Fuss	November 15, 2005	50,000	-	\$2.28
Brent Gale	November 15, 2005	100,000	-	\$2.28
Norman Hall	November 15, 2005	40,000	-	\$2.28
Graham Weir	November 15, 2005	50,000	-	\$2.28
Donald T. West	November 15, 2005	50,000	-	\$2.28
Pamela Wicks	November 15, 2005	40,000	-	\$2.28
Clark Zentner	November 15, 2005	50,000	-	\$2.28
Brent Gale	May 31, 2006	-	200,000	\$1.65
Pamela Wicks	June 23, 2006	-	10,000	\$1.65
Donald T. West	May 22, 2007	-	45,000	\$1.65
Daphne Corbett	May 22, 2007	25,000	-	\$2.62
Arthur Dumont	May 22, 2007	25,000	-	\$2.62
Peter Fuss	May 22, 2007	25,000 ⁽¹⁾	-	\$2.62
Brent Gale	May 22, 2007	200,000	-	\$2.62
Norman Hall	May 22, 2007	30,000	-	\$2.62
Graham Weir	May 22, 2007	25,000	-	\$2.62
Donald T. West	May 22, 2007	25,000	-	\$2.62
Pamela Wicks	May 22, 2007	150,000	-	\$2.62
Clark Zentner	May 22, 2007	25,000	-	\$2.62
Douglas A. Cutts	July 27, 2007	-	50,000	\$2.70
Norman Hall	July 27, 2007	-	10,000	\$2.70
Brent Gale	July 27, 2007	-	40,000	\$2.70

NOTE:

(1) This figure represents Share Appreciation Rights granted to Mr. Fuss.

All of the issuances related to the grant or exercise of options, except for the July 27, 2007 issuances which were pursuant to the private placement completed by the Corporation on that date.

ARRANGEMENTS BETWEEN PULSE DATA AND DIRECTORS AND SENIOR OFFICERS

Except as described below, there are no arrangements or agreements made or proposed to be made with Pulse Data and any of the directors or senior officers of Pulse Data pursuant to which a payment or other benefit is to be paid or given by way of compensation for loss of office or as to their remaining in, or retiring from, office if the Offer is successful.

Employment Agreements

The terms of compensation of Douglas Cutts and Brent Gale are established under employment agreements dated March 25, 2002 and February 1, 2002, respectively, as amended by amending agreements dated September 8, 2003 (the "Employment Agreements"). If the employment of Douglas Cutts or Brent Gale is terminated by Pulse Data other than for cause or is constructively terminated, or the officer elects to terminate his employment, in either case within six months following a change of control (as defined in the Employment Agreements) then each are entitled to receive an amount equal to two times their current annual salary and each officer is entitled to exercise all vested and unvested options for a period of 90 days.

The terms of compensation of Pamela Wicks are established under an employment agreement dated June 22, 2007. If the employment of Pamela Wicks is terminated by Pulse Data other than for cause or is constructively terminated, or she elects to terminate her employment, in either case within six months following a change of control, then Pamela Wicks is entitled to receive an amount equal to eighteen times her current monthly salary and she is entitled to exercise all vested and unvested options for a period of 90 days.

Indemnity Agreements

Pulse Data has entered into written indemnity agreements with each of the directors and officers pursuant to which Pulse Data has agreed to indemnify each such director and officer from and against all costs and liabilities suffered or incurred by such person (including his or her heirs, successors and assigns), directly or indirectly, as a result of or by reason of such person being or having been a director and/or officer of Pulse Data or any of its affiliates, or by reason of any action taken by, or not taken by, such person in the capacity as a director and/or officer of Pulse Data or any of its affiliates, to the fullest extent permitted by the CBCA.

Employee Retention Bonus Program

The Board has approved an Employee Retention Bonus Program for the full-time employees of Pulse Data. The intent of the Retention Bonus Program is to provide financial incentives to retain full-time employees of Pulse Data in light of the uncertainty caused by the Seitel Offer and the strategic alternatives evaluation process. Under the program, each full-time employee of Pulse Data will receive a bonus of approximately two months base salary, provided that such employee continues to perform his or her duties during the period of the strategic alternatives evaluation process. The retention bonus is payable upon the earlier of the completion of a change of control of Pulse Data (defined as an acquisition of more than 50% of the outstanding Pulse Data Shares) and October 30, 2007. The Employee Retention Bonus Program does not apply to Douglas Cutts, Brent Gale, Pamela Wicks and one other employee, all of

whom have change of control provisions in their Employment Agreements. Pulse Data estimates that the total cost of the Retention Bonus Program will be approximately \$300,000.

Employee Minimum Severance Plan

The Board adopted an Employee Minimum Severance Plan on June 21, 2005, as amended on August 23, 2007, which provides that, in the event of a change of control of Pulse Data (defined as an acquisition of more than 50% of the outstanding Pulse Data Shares), employees of Pulse Data who are terminated or constructively dismissed within a period of one year following such change of control will receive a minimum amount of severance equal to two months base salary per year of service calculated on a pro rata basis based upon the term of employment, with a minimum of two months and a maximum of six months severance under the plan. In the event that an employee would be entitled to a higher severance amount under applicable statutory or common laws than that provided under the plan, such employee shall be entitled to such higher amount. The plan applies to all employees of Pulse Data other than those officers and employees that are covered by change of control agreements.

ARRANGEMENTS BETWEEN THE OFFEROR OR SEITEL AND DIRECTORS AND SENIOR OFFICERS

None of the directors and senior officers of Pulse Data is a director or officer of the Offeror or of Seitel.

No contract, arrangement or agreement has been made or is proposed to be made between the Offeror or Seitel and any directors or senior officers of Pulse Data and no payment or other benefit is proposed to be made or given by the Offeror or by Seitel to any directors or senior officers of Pulse Data by way of compensation for loss of office or as to their remaining in, or retiring from, office if the Offer is successful.

INTERESTS OF DIRECTORS AND SENIOR OFFICERS IN MATERIAL CONTRACTS OF THE OFFEROR OR SEITEL

Except as disclosed herein, no director or senior officer of Pulse Data or, to the knowledge of such directors or senior officers after reasonable inquiry, their associates or any person (other than ValueAct Capital) holding more than 10% of the Pulse Data Shares has any interest in any material contract to which the Offeror, Seitel or ValueAct Capital is a party.

OWNERSHIP OF SECURITIES OF SEITEL

None of Pulse Data, the directors or senior officers of Pulse Data or, to the knowledge of the directors and officers of Pulse Data after reasonable inquiry, any associates of the directors or senior officers of Pulse Data, any person (other than ValueAct Capital) holding more than 10% of the Pulse Data Shares or any person acting jointly or in concert with Pulse Data, owns or exercises control or direction over any securities of any class of Seitel.

OTHER TRANSACTIONS

While there are not currently any negotiations underway or agreements in principle in response to the Offer that relates to or would result in one or more of the following: (a) a merger or reorganization involving Pulse Data or its subsidiaries, or any other extraordinary transaction, (b) a purchase, sale or transfer of a material amount of assets by Pulse Data or its subsidiaries, (c) an issuer bid or tender offer for or other acquisition of securities by or of Pulse Data, or (d) any material change in the present

capitalization or dividend policy of Pulse Data, on August 13, 2007 the Board appointed a Special Committee to review all strategic alternatives for Pulse Data to enhance shareholder value, including seeking superior proposals for the acquisition of Pulse Data. One of these strategic alternatives may involve one of the transactions contemplated in items (a) through (d). For more information on the Special Committee, see "Appointment of Special Committee and Independent Financial Advisor".

MATERIAL CHANGES

Terrapoint Sale Process

On March 5, 2007, Pulse Data announced that it had initiated a process to evaluate strategic alternatives for its Terrapoint business unit. Dundee Securities Corporation has been engaged by the Board to assist in this process. Pulse Data is in discussions with four parties who have indicated their interest in purchasing Terrapoint and expects to receive formal proposals from such parties in the near term. Pulse Data continues to work towards the completion of the sale of Terrapoint by the end of the third quarter of 2007.

Bought Deal Financing

On July 27, 2007, Pulse Data completed a bought deal private placement of 6,440,000 Pulse Data Shares at an issue price of \$2.70 per share for gross proceeds of \$17,388,000. Proceeds from the financing were used to finance the seismic data purchase from Arcis Corporation and the 3D participation survey that is in progress, described below.

Purchase of Seismic Data Set and Commencement of 3D Seismic Participation Survey

On July 31, 2007, Pulse Data completed the purchase of all of the seismic data owned jointly with Arcis Corporation for a cash purchase price of \$11.1 million, which was financed by the bought deal private placement described above. The seismic data purchased is located primarily in the Buick-Beatton and Ladyfern areas of northeastern British Columbia and includes 1,388 net square kilometres of 3D seismic data and 65 net kilometres of 2D seismic data. Pulse Data previously owned a 50 percent interest in this seismic data and, as a result of the purchase, now owns 100%.

On July 11, 2007, Pulse Data commenced a 3D seismic participation survey consisting of a minimum of 150 net square kilometres in the Deep Basin area of west-central Alberta. Pulse Data expects to deliver the seismic 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 Pulse Data to commence licensing of the seismic data immediately after delivery.

Shareholder Rights Plan

On August 13, 2007, the Board of Directors of Pulse Data adopted a Shareholder' Rights Plan (the "**Plan**"). The Plan was under consideration by the Board of Directors prior to the announcement of the Seitel Offer.

The Board of Directors did not adopt the Plan to prevent a takeover of the Corporation, to secure the continuance of management or the directors in their respective offices or to deter fair offers for the Common Shares of the Corporation. The objectives of the Plan are, to the extent possible, to prevent a creeping takeover of the Corporation by requiring that any offer to acquire shares of the Corporation is made to all shareholders for all of their shares and cannot be completed unless shareholders holding at least 50% of the outstanding shares (other than the offeror and related parties) are tendered in favour of

the offer and to ensure that all shareholders of the Corporation are treated equally and fairly in connection with any takeover bid for the Corporation. The Plan discourages discriminatory, coercive or unfair takeovers of the Corporation and gives the Board of Directors time if, in the circumstances, the Board of Directors determines it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited takeover bid (such as the Seitel Offer) is made for all or a portion of the outstanding shares of the Corporation.

In order to implement the Plan, the Board of Directors of the Corporation authorized the issuance of one right in respect of each Common Share of the Corporation outstanding at the close of business on August 13, 2007 (the "Record Time"). In addition, the Board authorized the issuance of one right in respect of each additional Common Share issued after the Record Time. The rights initially trade with and are represented by Pulse Data's common share certificates, including certificates issued prior to the Record Time. Until such time as the rights separate from the Common Shares and become exercisable, rights certificates will not be distributed to shareholders. With respect to the Seitel Offer, the Board of Directors has deferred the separation time of the Rights until September 21, 2007.

If a person or a group acting in concert (an "Acquiring Person") acquires (other than pursuant to an exemption available under the Plan, one of which is a takeover bid permitted by the Plan (a "Permitted Bid")) beneficial ownership of 20% or more of the Common Shares of the Corporation (a "Flip-in Event"), the rights (other than those held by such Acquiring Person which become void under the terms of the Plan) will separate from the Common Shares and permit the holder thereof to purchase Common Shares at a substantial discount to their then prevailing market price.

The Plan allows "Permitted Bids" to be made without triggering the effects of the Plan. The requirements of a Permitted Bid include the following:

- (a) the takeover bid must be made by means of a takeover bid circular;
- (b) the takeover bid is made to all holders of voting shares as registered on the books of the Corporation, other than the offeror;
- (c) no voting shares are taken up or paid for pursuant to the takeover bid unless more than 50% of the voting shares held by independent shareholders (x) shall have been deposited or tendered pursuant to the takeover bid and not withdrawn and (y) have previously been or are taken up at the same time;
- (d) no voting shares are taken up or paid for pursuant to the takeover bid prior to the close of business on the date which is not less than 60 days (or such shorter period of time as may be permitted by the Board of Directors of Pulse Data from time to time, subject to the requirement that it be outstanding for a minimum period of 35 days in accordance with applicable securities legislation) following the date of the takeover bid;
- (e) voting shares may be deposited pursuant to such takeover bid at any time during the period of time between the date of the takeover bid and the date on which voting shares may be taken up and paid for and any voting shares deposited pursuant to the takeover bid may be withdrawn until taken up and paid for; and
- (f) if on the date on which voting shares may be taken up and paid for under the takeover bid, more than 50% of the voting shares held by independent shareholders have been deposited or tendered pursuant to the takeover bid and not withdrawn, the offeror makes a public announcement of that fact and the takeover bid is extended to remain open for

deposits and tenders of voting shares for not less than ten business days from the date of such public announcement.

The Plan also allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days in accordance with applicable securities legislation.

A person, or a group acting in concert, who is the beneficial owner of 20% or more of outstanding Common Shares as of the Record Time is exempt from the dilutive effects of the Plan provided such person (or persons) does not increase its beneficial ownership by more than 1% (other than in accordance with the terms of the Plan). Pulse Data is not aware of any such person or group. In addition, investment advisors (for client accounts), trust companies (acting in their capacity as trustees or administrators), statutory bodies whose business includes the management of funds (for employee benefit plans, pension plans, or insurance plans of various public bodies) and administrators or trustees of registered pension plans or funds acquiring greater than 20% of the voting shares are exempted from triggering a Flip-in Event, provided they are not making, either alone or jointly or in concert with any other person, a takeover bid. Also, a person will not become an Acquiring Person by virtue of having entered into an agreement (a "Permitted Lock-Up Agreement") with a shareholder whereby the shareholder agrees to deposit or tender voting shares to a takeover bid made by such person, provided that the agreement meets certain requirements including:

- (a) the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available;
- (b) the shareholder who has agreed to tender voting shares to the takeover bid (the "Lock-Up Bid") made by the other party to the agreement is permitted to terminate its obligation under the agreement in order to tender voting shares to another takeover bid or transaction where: (i) the offer price or value of the consideration payable under the other takeover bid or transaction is greater than the price or value of the consideration per share at which the shareholder has agreed to deposit or tender voting shares to the Lock-Up Bid or is equal to or greater than a specified minimum which is not more than 7% higher than the price or value of the consideration per share at which the shareholder has agreed to deposit or tender voting shares under the Lock-Up Bid; and (ii) if the number of voting shares offered to be purchased under the Lock-Up Bid is less than all of the voting shares held by shareholders (excluding shares held by the offeror), the number of voting shares offered to be purchased under the other takeover bid or transaction (at an offer price not lower than in the Lock-Up Bid) is greater than the number of voting shares offered to be purchased under the Lock-Up Bid or is equal to or greater than a specified number which is not more than 7% higher than the number of voting shares offered to be purchased under the Lock-Up Bid; and
- (c) no break-up fees or other penalties that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-Up Bid and 50% of the increase in consideration resulting from another takeover bid or transaction shall be payable by the shareholder if the shareholder fails to deposit or tender voting shares to the Lock-Up Bid.

At any time prior to the rights becoming exercisable, the Board of Directors may waive the operation of the Plan with respect to certain events before they occur, including in connection with a

takeover bid. If a potential offeror does not desire to make or proceed by a Permitted Bid, it can negotiate with, and obtain the approval of, the Board of Directors to make a takeover bid by way of a takeover bid circular sent to all holders of voting shares on the terms which the Board of Directors considers fair to all shareholders. Any waiver of the application of the Plan in respect of a particular takeover bid shall also constitute a waiver of any other takeover bid which is made by means of a takeover bid circular to all holders of voting shares while the initial takeover bid is outstanding. The Board of Directors may also waive the application of the Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding voting shares of the Corporation within 14 days or such earlier or later date as may be specified by the Board. With the prior consent of the holders of voting shares, the Board of Directors may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of voting shares otherwise than pursuant to the foregoing, waive the application of the Plan to such Flip-in Event.

The Board of Directors may, with the prior consent of the holders of voting shares, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding rights at a redemption price of \$0.00001 per right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a takeover bid in respect of which the Board of Directors has waived the application of the Plan.

The issuance of the rights is not dilutive and will not affect reported earnings or funds from operations per share until the rights separate from the underlying Common Shares and become exercisable or until the exercise of the rights. The issuance of the rights will not change the manner in which shareholders currently trade their Common Shares.

The adoption of the Plan will not in any way lessen or affect the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Corporation. The Board of Directors, when a takeover bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

The Plan is subject to subject to approval of the Toronto Stock Exchange, and requires confirmation by Pulse Data shareholders at a special meeting of shareholders to be held on or before December 31, 2007 (the "Meeting"). If the Plan is not confirmed by shareholders by that date, the Plan and all outstanding rights will terminate and be void and of no further force and effect as of that date. The Board has called a special meeting of Pulse Data shareholders to be held on Friday, September 21, 2007 to consider confirmation of the Plan.

The Corporation may, prior to the date of the Meeting, without the approval of the holders of rights or Common Shares, supplement, amend, vary or delete any of the provisions of the Plan and may, after the date of the Meeting (provided the Plan is confirmed by shareholders at the Meeting) with the prior approval of shareholders (or the holders of rights if the Separation Time has occurred), supplement amend, vary or delete any of the provisions of the Plan. The Corporation may make amendments to the Plan at any time to correct any clerical or typographical error or, subject to confirmation at the next meeting of shareholders, make amendments which are required to maintain the validity of the Plan due to changes in any applicable legislation, regulations or rules.

APPOINTMENT OF SPECIAL COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

Upon receipt of the Seitel Offer, the Board appointed a Special Committee to review all strategic alternatives for Pulse Data to enhance shareholder value, including seeking superior proposals for the

acquisition of Pulse Data. The Special Committee members are Graham Weir, Donald West and Arthur Dumont, all members of the Board independent of management.

The Special Committee has also confirmed the retainer of William Blair & Company, of Chicago, Illinois, as its independent financial advisor to assist in this process.

OTHER INFORMATION

The directors and senior officers of Pulse Data are not aware of any other information not disclosed that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Offer.

Pulse Data has engaged Georgeson Shareholder Communications Canada Inc. to act as information agent with respect to the Seitel Offer, to assist Pulse Data in informing Shareholders as to the views of the Board with respect to the Seitel Offer. Shareholders can contact Georgeson Shareholder Communications Canada Inc. if they have any questions regarding the Seitel Offer at 1-888-605-7616.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

APPROVAL OF DIRECTORS' CIRCULAR

The contents of this Directors' Circular have been approved, and the delivery hereof has been authorized, by the Board of Directors.

CERTIFICATE

DATED: August 24, 2007

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. The foregoing does not contain any misrepresentation likely to affect the value of the market price of the securities subject to the Seitel Offer within the meaning of the *Securities Act* (Quebec.)

On behalf of the Board of Directors

(Signed) "Graham Weir"
Director

(Signed) "Douglas A. Cutts"
President, Chief Executive Officer and Director

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO:

GEORGESON SHAREHOLDER COMMUNICATIONS CANADA INC.

100 University Avenue

11th Floor, South Tower

Toronto, Ontario M5J 2Y1

North American Toll Free Number: 1-888-605-7616