

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 Geogeson Shareholder Communications Canada Inc. at 1-888-605-7616.



Notice of Change to 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 nominal price of \$3.10 per common share (before deduction of dividends)

The Board of Directors of Pulse Data Inc. continues to unanimously recommend that you REJECT the Seitel, Inc. Offer and NOT TENDER your Pulse Data 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.

September 21, 2007

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Notice of Change to 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 Notice of Change to Directors' Circular, the following terms shall have the meanings set forth below:

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

"**Directors' Circular**" means the Directors' Circular of the Board dated August 24, 2007 recommending rejection of the Original Seitel Offer;

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

"**Offer Price**" means \$3.10 cash per Pulse Data Share (before deduction of dividends);

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

"**Original 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;

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

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

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

"**Seitel Offer**" means the Original Seitel Offer, as extended by Notice of Extension dated September 18, 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;

"**Special Committee**" means the special committee of the Board formed in response to the Original Seitel Offer;

"**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.

NOTICE OF CHANGE TO DIRECTORS' CIRCULAR

This Notice of Change to Directors' Circular amends and supplements the Directors' Circular dated August 24, 2007 that was issued by the Board in connection with the Original Seitel Offer, and is being issued in response to the Notice of Extension in respect of the Seitel Offer dated September 18, 2007 which extends the expiry of the Seitel Offer to 5:00 p.m. (Toronto time) on September 28, 2007. This Notice of Change to Directors' Circular should be read in conjunction with the Directors' Circular. Defined terms used herein but not defined in this Notice of Change to Directors' Circular have the meanings given to them in the Directors' Circular.

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 continues to believe that the Seitel Offer is inadequate and is significantly below the value of the Pulse Data Shares. **For the reasons set forth in the Directors' Circular, the Board continues to unanimously recommend 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 28, 2007 at 5:00 p.m. (Toronto time), 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.

RECENT DEVELOPMENTS

Recent Developments Concerning the Seitel Offer

Following the mailing of the Directors' Circular to Shareholders on August 28, 2007, the Special Committee engaged in discussions with Seitel with respect to a confidentiality agreement which set forth the terms under which Pulse Data would be prepared to provide Seitel with access to the electronic data room. In exchange for providing such access, Pulse Data had requested that the Original Seitel Offer be made to comply with the requirements of a "Permitted Bid" under Pulse Data's previously announced Shareholder Rights Plan, including the requirement that the Offeror not take up any Shares under the Seitel Offer unless more than 50% of the Pulse Data Shares held by independent Shareholders are tendered to the Seitel Offer and not withdrawn. This position was not acceptable to Seitel, as Seitel was only prepared to offer an extension to the expiry date of the Original Seitel Offer in exchange for a complete waiver of the application of the Shareholder Rights Plan and access to the data room. On September 12, 2007, counsel to the Offeror was advised that Seitel's position was not acceptable to the Special Committee, following which further discussion on the confidentiality agreement ceased. Counsel for the Offeror was also advised that the Special Committee was prepared to enter into negotiations with Seitel to determine whether acceptable terms for an acquisition by Seitel could be agreed upon. In addition, on September 17, 2007, William Blair & Company, financial advisors to the Special Committee,

approached Seitel with a price at which the Special Committee would be prepared to enter into negotiations. However, Seitel indicated that it was not interested in negotiations and that it would continue with its current offer.

This Original Seitel Offer was to expire at 5:00 p.m. (Toronto time) on September 18, 2007. On September 18, 2007, the Offeror and Seitel issued a press release to announce the extension of the Original Seitel Offer and of the Offeror's intention to bring an application before the Alberta Securities Commission to challenge the Shareholder Rights Plan that had been adopted by the Board. On September 18, 2007, a copy of the Notice of Extension in respect of the Seitel Offer was delivered to the offices of Pulse Data. The Notice of Extension extends the expiry of the Seitel Offer to 5:00 p.m. (Toronto time) on September 28, 2007. There has been no increase in the Offer Price under the Seitel Offer in connection with such extension.

On September 20, 2007, Pulse Data issued a press release recommending that Shareholders reject the extended Seitel Offer. As indicated in such press release, the Offeror and Seitel did not indicate how many Pulse Data Shares were tendered to the Seitel Offer at the initial expiry time. Based on information provided to Pulse management by significant institutional Shareholders and by its information agent, Georgeson Shareholder Communications Canada Inc., Pulse Data believes that very few Pulse Data Shares were tendered to the Seitel Offer.

Shareholder Rights Plan

On September 10, 2007, Pulse Data announced that the Board had made two technical amendments to its previously announced Shareholder Rights Plan (the "Plan"). The amendments are drafting changes to the definitions in the Plan of "associate" and "controlled" and, in the opinion of Pulse, are not material changes to the Plan. The amendments were made as a result of discussions with a shareholder service company which provides a proxy analysis and vote recommendation on shareholder voting matters to its institutional shareholder clients. Based upon these two minor technical amendments, Pulse was advised by such shareholder service company that it would recommend to its institutional shareholder clients that they vote in favour of the Plan.

On September 18, 2007, counsel to the Offeror made an application to the Alberta Securities Commission for an order to cease trade the Plan. A hearing in respect of such application has been scheduled for September 26, 2007.

On September 21, 2007, the Plan was approved by Shareholders at a special meeting. Approximately 56% of the outstanding Pulse Data Shares were voted at the Shareholders meeting. Of the Pulse Data Shares voted at the meeting, approximately 75% were voted in favour of the Plan and approximately 25% were voted against. Excluding the Pulse Data Shares owned by ValueAct Capital (a joint actor in respect of the Seitel Offer), all of which Pulse believes were voted against the Plan, approximately 98% of the remaining Pulse Data Shares voted at the Shareholders meeting were voted in favour of the Plan. In addition, Pulse Data received a late proxy representing 4,123,386 Pulse Data Shares voting in favour of the Plan, which proxy was not voted at the meeting. Had such proxy been included in the voting results, there would have been approximately 64% of the outstanding Pulse Data Shares voted at the Shareholders meeting, of which approximately 78% would have been voted in favour of the Plan (representing approximately 99% of the total number of Pulse Data Shares that would have been voted, excluding those owned by ValueAct Capital).

On September 21, 2007, Pulse Data announced that the Board had deferred the separation time for the rights under the Plan until September 28, 2007 with respect to the Seitel Offer.

Record Third Quarter Cash Data Library Sales

On September 21, 2007, Pulse Data announced that, as of such date, it had posted third quarter cash data library sales of \$8.7 million, surpassing the record for third quarter cash data library sales of \$8.6 million set in 2005, and that it would be setting record cash data library sales for three consecutive quarters. Pulse Data further announced that it expected third quarter total seismic revenues of at least \$10.5 million which included an expected partial delivery by September 30, 2007 of a 3D seismic participation survey in the Deep Basin area of west-central Alberta that commenced on July 11, 2007.

Increase in Quarterly Dividend

Also on September 21, 2007, Pulse Data announced that, as a result of the increased level of sustainable free cash flow level, the Board had approved a 33% increase in its annual dividend rate from \$0.15 to \$0.20 per Pulse Data Share. Based on the closing price of the Pulse Data Shares on September 21, 2007, the annual dividend provides an effective yield of 6.5%. This is the third increase in the dividend since Pulse Data commenced paying a dividend in 2003. Pulse expects to declare the next regular quarterly dividend, the eighteenth consecutive, in conjunction with the release of its third quarter results on November 8, 2007.

Update on Review of Strategic Alternatives

Since 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, a total of 62 prospective buyers have been contacted, including 20 strategic buyers. Overall, 42 formal declines (nine of which were from strategic buyers) have been received. Seventeen confidentiality agreements have been signed to date, two of which are with strategic buyers. Nine of these parties later declined to pursue a transaction, leaving eight parties active with confidentiality agreements, of which two are strategic buyers. Eight additional strategic buyers have been contacted but to date have not declined to pursue a transaction nor signed a confidentiality agreement. Pulse Data has received preliminary indications of interest from certain parties which have indicated price levels superior to that which is being offered under the Seitel Offer. The current state of the debt markets has resulted in debt financing being either no longer available, or available only on much more stringent terms than in the past, to financial buyers which has made it more difficult for certain financial buyers to participate in an auction process.

Pulse Data continues to pursue seismic data library acquisitions that would be considered accretive to its business.

Update on Terrapoint Sale Process

On September 5, 2007, Pulse Data announced that it had signed a non-binding letter of intent to sell the assets of its Terrapoint business unit to a management-led group of Terrapoint. The letter of intent provides a scheduled closing date of September 28, 2007. The transaction is subject to a number of conditions, including due diligence, financing and execution of a formal purchase and sale agreement. The letter of intent provided for an exclusive period for negotiations which expired on September 17, 2007.

On September 21, 2007, Pulse Data announced that, although the exclusivity period for negotiations had expired, Pulse Data was continuing to work with the proposed purchaser towards reaching a binding agreement by the end of September 2007.

REASONS FOR RECOMMENDATION

The Board continues to unanimously recommend that Shareholders REJECT the Seitel Offer and NOT TENDER their Pulse Data Shares to the Seitel Offer. If you have already tendered Pulse Data Shares to the Seitel Offer, the Board recommends that you withdraw them. The detailed reasons for the Board's conclusions and recommendations are contained in the Director's Circular.

The Board remains 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.

In the opinion of the Board, the Seitel Offer is coercive and unfair to Shareholders in that it permits the Offeror to waive the minimum tender condition under the Seitel Offer (which currently requires as a condition of the Seitel Offer that at least 66 2/3% of the Pulse Data Shares be tendered) and take up and pay for any number of Pulse Data Shares that may be deposited under the Seitel Offer and not withdrawn. Pulse Data's Shareholder Rights Plan currently protects Shareholders from this scenario by requiring Seitel, as one of the conditions of a permitted bid to avoid triggering the rights under the Plan, to not take up any Shares under the Seitel Offer unless at least a majority of the Shares (other than those owned by the Offeror and ValueAct Capital) have been tendered to the Seitel Offer and not withdrawn. However, as mentioned above, the Offeror has brought an application to the Alberta Securities Commission seeking a cease trade order in respect of the Shareholder Rights Plan. If this application is successful, the Offeror (acting jointly with ValueAct Capital which currently owns approximately 13.5% of the outstanding Pulse Data Shares) will be in a position to effect a creeping take-over bid for the outstanding Pulse Shares. If ValueAct Capital's share ownership position continues to increase through a creeping take-over bid strategy, Pulse Data may become less marketable in the future and the ability of Shareholders to realize a full premium in any future change of control transaction would be adversely affected which, in the opinion of the Board, is not in the best interests of Shareholders. A large share ownership position held by ValueAct Capital may also make it more difficult for Pulse Data to execute on its business plan.

Even if the Shareholder Rights Plan remains in place, provided that the number of Pulse Data Shares tendered to the Seitel Offer and taken up would not result in the Offeror and its joint actors owning 20% or more of the outstanding Pulse Data Shares, the Offeror would be permitted to waive the conditions of the Seitel Offer (including the minimum tender condition) prior to the expiry of the Seitel Offer and take up such tendered Pulse Data Shares without triggering the Shareholder Rights Plan. As mentioned above, based on information provided to Pulse management by significant institutional Shareholders and by its information agent, Pulse Data believes that very few Pulse Data Shares have been tendered to the Seitel Offer and, therefore, this scenario is a distinct possibility. The Board therefore strongly recommends that any Shareholder who has already tendered its Pulse Data Shares to the Seitel Offer exercise its right to withdraw such Shares from the Seitel Offer in order to avoid having its Shares taken up by the Offeror at a price which, in the opinion of the Board, does not reflect the underlying value of Pulse Data or its assets.

The Board formed the Special Committee in response to the Seitel Offer to review and evaluate strategic alternatives for Pulse Data to enhance shareholder value, and retained William Blair to act as financial advisors to solicit indications of interest from other parties to determine whether superior competing offers or alternative proposals were available. It has been an inopportune time for such an auction process given the current state of the debt markets which has had a negative impact on the ability of potential financial buyers to obtain debt financing to permit them to fully participate in such process.

Under more favourable market conditions, a more robust auction process involving greater participation from financial buyers would be expected which would produce greater value for Pulse Data Shareholders.

NO MATERIAL CHANGES

Except as publicly disclosed or as referred to in this Notice of Change or in the Directors' Circular, the Board and senior officers of Pulse Data are not aware of any other information that indicates any material change in the affairs of Pulse Data since August 24, 2007, being the date of the Directors' Circular.

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: September 21, 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) "Arthur Dumont"
Director

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

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO:

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