

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.



Notice of Change to Directors' Circular

RECOMMENDING

REJECTION

of the October 9, 2007 Amended and Extended 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 \$3.30 per common share

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.

October 10, 2007

TABLE OF CONTENTS

	Page
DEFINITIONS	1
NOTICE OF CHANGE TO DIRECTORS' CIRCULAR.....	2
UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS	2
RECENT DEVELOPMENTS	2
REASONS FOR RECOMMENDATION	3
NO MATERIAL CHANGES	6
STATUTORY RIGHTS OF ACTION	6
APPROVAL OF DIRECTORS' CIRCULAR	6
CERTIFICATE	7

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:

"**ASC**" means the Alberta Securities Commission;

"**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, as amended and supplemented by the First Notice of Change and the Second Notice of Change;

"**First Notice of Change**" means the Notice of Change to Directors' Circular dated September 21, 2007 which was issued by the Board in response to the Notice of Extension in respect of the Seitel Offer dated September 18, 2007 which extended the expiry of the Seitel Offer to 5:00 p.m. (Toronto time) on September 28, 2007;

"**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 \$3.30 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.;

"**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;

"**Second Notice of Change**" means the Notice of Change to Directors' Circular dated October 3, 2007 which was issued by the Board in response to the Notice of Variation and Extension in respect of the Seitel Offer dated September 28, 2007 which (i) increased the nominal Offer Price to \$3.30 per Pulse Data Share (\$3.2625 after deducting Pulse Data's regularly quarterly dividend that was declared in August 2007 and paid on September 20, 2007); and (ii) extended the expiry of the Seitel Offer to 5:00 p.m. (Toronto time) on October 12, 2007;

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

"**Seitel Offer**" means the Original Seitel Offer, as amended and extended by the Notice of Extension dated September 18, 2007, the Notice of Variation and Extension dated September 28, 2007, and the Notice of Variation and Extension dated October 9, 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 further amends and supplements the Directors' Circular issued by the Board in connection with the Seitel Offer, and is being issued in response to the Notice of Variation and Extension in respect of the Seitel Offer dated October 9, 2007 which (i) amends the terms of the Seitel Offer so that payment for Pulse Data Common Shares tendered under the Seitel Offer will not be adjusted to deduct ordinary dividends declared or paid by Pulse Data; and (ii) extends the expiry of the Seitel Offer to midnight (Vancouver time) on October 19, 2007. This Notice of Change to Directors' Circular should be read in conjunction with the Directors' Circular (including the First Notice of Change and the Second Notice of Change). 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** as it does not take into account Pulse Data's growth potential, does not offer any control premium over the value of the Pulse Data Shares (before taking into account Pulse Data's growth potential), and does not share with the Shareholders the significant synergies that should be realized by Seitel upon acquiring Pulse Data. **For the reasons set forth below in this Notice of Change, 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.**

If you have already tendered Pulse Data Shares to the Seitel Offer, the Board recommends that you should withdraw them as described in the Offer Documents. Otherwise, as a Pulse Data Shareholder, there is no need for you to do anything immediately. The Seitel Offer is currently scheduled to expire on October 19, 2007 at midnight (Vancouver time), unless extended or withdrawn.

RECENT DEVELOPMENTS

Update on Review of Strategic Alternatives

Pulse Data emphatically rejects the allegations made by Seitel in its October 9, 2007 press release that Pulse Data has misled Shareholders regarding the potential for superior offers to the Seitel Offer in any respect. Pulse Data previously advised Shareholders in its First Notice of Change dated September 21, 2007 that it had received preliminary indications of interest from potential buyers at superior price levels to that offered by Seitel. After further discussion with these potential buyers, Pulse Data concluded that their necessary financing was unlikely to be available in a reasonable period of time. Accordingly, on September 25, 2007, Pulse Data determined to reduce the time period for the Seitel Offer to qualify as a "permitted bid" under Pulse Data's Shareholder Rights Protection Plan and, after a further assessment of the strategic alternatives process, Pulse Data advised its shareholders in its Second Notice of Change dated October 3, 2007 that it did not anticipate receiving in the near future any superior proposals for the acquisition of Pulse Data Shares.

Following the mailing of the Second Notice of Change, Pulse Data received verbal indications from a potential strategic buyer indicating that such buyer was continuing to pursue a possible acquisition transaction at a price level superior to that being offered by Seitel. No assurance can be given that an acceptable proposal will be received from such buyer or as to when a proposal, if any, may be received.

Pulse Data continues to seek and assess strategic alternatives to maximize shareholder value, and, in particular, is continuing to pursue seismic data library acquisitions that would be considered accretive to its business.

Recent Developments Concerning the Seitel Offer

Following the mailing by Pulse Data on October 4, 2007 of the Second Notice of Change to Shareholders, on October 9, 2007 Seitel issued a press release announcing that it had amended the terms of the Seitel Offer so that payment for Pulse Data Common Shares tendered under the Seitel Offer would not be adjusted to deduct ordinary dividends declared or paid by Pulse Data, and that it had extended the expiry of the Seitel Offer to midnight (Vancouver time) on October 19, 2007. The change regarding the dividend adjustment effectively increased Seitel's Offer Price to \$3.30 per Pulse Data Share from its previous offer price (after adjustment for dividends) of \$3.2625 per Pulse Data Share. Although Seitel had previously stated on October 1, 2007 that its \$3.2625 offer was its "best and final offer", in its October 9 press release, Seitel again stated that the new amended and extended Seitel Offer is its "best and final" offer and further stated that Shareholders should not expect any further extensions of the Seitel Offer. On October 9, 2007, ValueAct also issued a press release stating that if the amended and extended Seitel Offer at \$3.30 per share is not "successful", ValueAct intends to sell on the open market all 7,360,000 Pulse Data Shares it currently owns. Seitel's Notice of Variation and Extension dated October 9, 2007 was filed on SEDAR on October 9, 2007.

On October 10, 2007, Pulse Data issued a press release indicating that the Board unanimously recommended that Shareholders reject the amended and extended Seitel Offer and not tender their Pulse Data Shares. The Board also announced the deferral of the Separation Time under the Shareholder Rights Plan in respect of the Seitel Offer to October 22, 2007.

Update of Third Quarter Results

On September 21, 2007 Pulse Data reported that as of that date it had attained cash data library sales for the third quarter of 2007 of \$8.7 million, surpassing the previous third quarter record for cash data library sales of \$8.6 million, set in 2005. On October 10, 2007, Pulse Data announced that it finished the third quarter with a record \$9.1 million in cash data library sales, and a total of \$10.8 million in total seismic revenue, which included partial delivery of a 3D seismic participation survey in the Deep Basin area of west-central Alberta. Pulse Data further announced that, as at September 30, 2007, it had a net debt position of \$21.8 million, consisting of a cash balance of \$12.2 million offsetting the total long-term debt balance of \$34.0 million, and that this was a favourable improvement to the December 31, 2006 net debt position of \$37.5 million, consisting of \$2.5 million in cash offsetting the then long term debt balance of \$40.0 million.

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 Board and senior management are 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. The additional reasons for the Board's

conclusions and recommendations are as follows (these reasons should be read together with the additional explanation set forth in Second Notice of Change):

1. Coercive scaremongering by ValueAct Capital and Seitel

ValueAct Capital and Seitel are attempting to coerce Shareholders into accepting the inadequate Seitel Offer. They are doing so in a number of ways, including disseminating misleading claims that the Board and management are not properly advising Shareholders, making renewed threats that their latest offer is the "best and final offer" (after having already increased their offer once after having previously made the same claim) and threatening that if the Seitel Offer is not "successful", ValueAct Capital intends to sell all of its Pulse Data Shares on the open market.

The latter threat seems inconsistent with ValueAct Capital's original stated purpose of acquiring Pulse Data Shares "for investment purposes". It appears aimed at pressuring Shareholders to accept the Seitel Offer out of fear that the market price will drop precipitously were ValueAct Capital to sell its Pulse Data Shares abruptly. The Board does not believe that ValueAct Capital will act in a manner that has that effect on the market price, as it believes ValueAct Capital and its investors will want to maximize their cash exit value if they do not continue to pursue the acquisition of Pulse Data. In any event, if ValueAct does pursue that approach, the Board believes that it should be welcomed as an attractive buying opportunity for Shareholders interested in increasing their holdings of Pulse Data Shares, given Pulse Data's growth potential and new dividend policy of \$0.20 cash dividend per year per Pulse Data Share. In that regard, Pulse Data has verbally received preliminary indications from a number of Pulse Data Shareholders and other interested parties expressing their interest in acquiring ValueAct Capital's Pulse shares should ValueAct Capital be inclined to sell.

2. Significant Shareholders have indicated that they do not intend to tender to the Seitel Offer.

Significant shareholders and the directors, officers and certain consultants of Pulse Data, collectively representing in excess of 50% of Pulse Data's outstanding shares (fully diluted), have verbally restated to officers and directors of Pulse Data following the announcement of the most recent amendment and extension to the Seitel Offer that they do not intend to tender the Pulse Data Shares owned or controlled by them to the Seitel Offer. The Seitel Offer continues to be conditional upon at least 66-2/3% of the outstanding Pulse Data Shares (fully diluted) being tendered to the Seitel Offer. If the minimum tender condition is not waived by Seitel, then the Seitel Offer will not succeed.

3. The Seitel Offer does not reflect Pulse Data's three consecutive quarters of record data library sales or the recently increased dividend.

Pulse Data has reported three consecutive quarters of record data library sales, including record third quarter cash data library sales of \$9.1 million for the third quarter of 2007. Pulse Data has also increased its annual dividend rate three times since it commenced paying annual dividends in 2003. The dividend yield is attractive for a Canadian publicly traded corporation and has the potential to increase further as Pulse Data executes on its stated business plan and is able to generate additional sustainable free cash flow. It would be difficult for Shareholders who accept the Seitel Offer to replace this dividend yield.

4. The Seitel Offer does not offer a significant premium to market price and the purported premiums stated by Seitel are outdated and misleading.

Seitel claims that the Seitel Offer should be analyzed with respect to the market price of the Pulse Data Shares prior to the announcement of the offer made by Quantum Yield Inc., which offer was made more

than three and a half months ago, and was ultimately cease traded by the Alberta Securities Commission given its serious deficiencies. Pulse Data has since announced record quarterly seismic data library sales for the third consecutive quarter and, as a result of its increased sustainable free cash flow, a 33% increase in its annual dividend rate.

5. The Seitel Offer is part of a creeping take-over bid strategy by Seitel.

Pulse Data believes that the ValueAct Capital/Seitel strategy is to effect a creeping take-over in which they acquire effective control of Pulse Data without paying an appropriate control premium price. Pulse Data has suggested this a number of times, including at the hearing before the ASC at which Seitel attempted unsuccessfully to have the Rights Plan cease traded, and Seitel has not denied this strategy.

The terms of the Seitel Offer do not provide protection to Shareholders against a creeping take-over bid by Seitel, since Seitel has not agreed that it will not bring another application to cease-trade the Shareholder Rights Plan which was overwhelmingly approved by Shareholders on September 21, 2007. If such an application was brought and was successful, the Offeror would be permitted to waive its minimum tender condition and take up and pay for any number of Pulse Data Shares deposited under the Seitel Offer and not withdrawn, even where such deposited shares would not represent a majority of the outstanding Pulse Data Shares (excluding those owned by the Offeror and ValueAct Capital). A large share ownership position held by ValueAct Capital may also allow ValueAct Capital and Seitel to effectively control the Board and be in a position to dictate Pulse Data's business plan, including Seitel's stated intention of eliminating the payment of quarterly dividends.

The Shareholder Rights Plan does not entrench management or the Board, but rather empowers the Shareholders. The Rights Plan does not stand in the way of the Seitel Offer so long as at least a majority of the Pulse Data Shares (excluding Pulse Data Shares held by ValueAct Capital and its joint actors) are tendered to the Seitel Offer. Rather, the Rights Plan preserves the ability for Shareholders to decide to tender to the Seitel Offer in the event that the Offeror offers to pay an acceptable control premium. The Rights Plan thereby gives existing Shareholders important counterbalancing leverage over the Offeror in the context of its bid. If the Rights Plan is cease traded, this leverage is gone, and Shareholders may never realize an acceptable control premium for the Pulse Data Shares.

6. The Seitel Offer does not take into account Pulse Data's growth potential, does not offer any control premium over the value of the Pulse Data Shares (before taking into account Pulse Data's growth potential), and does not share with the Shareholders the significant synergies that should be realized by Seitel upon acquiring Pulse Data.

In the Second Notice of Change, Pulse Data estimated that, upon acquiring Pulse Data, Seitel should realize synergies, from cost savings alone, with a Pulse Data share value in excess of \$0.50 per Pulse Data Share.

7. Refusal by Seitel to negotiate an acceptable price.

Seitel continues to make certain misleading statements with respect to its attempts to negotiate with Pulse Data. As has been disclosed in the original Directors' Circular, after thoroughly reviewing the original proposal made by Seitel to acquire all of the Pulse Data Shares for \$3.10 per Pulse Data Share (subject to certain conditions), the Board unanimously rejected the proposal given that the price level proposed by Seitel was not acceptable. Further, after Seitel launched the unsolicited Seitel Offer, Pulse Data attempted to negotiate terms of a confidentiality agreement with Seitel under which Pulse Data would provide Seitel with access to its electronic data room, which terms would have protected the confidential nature of some of the information and would have required the Seitel Offer to comply with

the "permitted bid" requirements of Pulse Data's Shareholder Rights Plan in order to prevent Seitel from pursuing a creeping take-over strategy. The Rights Plan was subsequently overwhelmingly approved by Shareholders in the face of the Seitel Offer. Although Seitel rejected the terms of the confidentiality agreement, on more than one occasion Pulse Data's advisers informed Seitel that Pulse Data was prepared to enter into negotiations without first agreeing to a confidentiality agreement. On one occasion, Pulse Data proposed a price to Seitel at which it was prepared to enter into negotiations. Seitel has, to date, rejected each of these proposals made by Pulse Data to enter into negotiations.

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 October 3, 2007, being the date of the Second Notice of Change.

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: October 10, 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