



***Q3 2006 Financial Results
Earnings Conference Call – November 2, 2006***

Forward-Looking Information and non-GAAP Measures

Cautionary Statements on Forward-Looking Information and non-GAAP measures

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements contained in this report about Seitel, Inc.'s future outlook, prospects, strategies and plans, and about industry conditions, demand for seismic services and the future economic life of our seismic data are forward-looking. All statements that express belief, expectation, estimates or intentions, as well as those that are not statements of historical fact, are forward looking. Forward-looking statements represent our reasonable present belief and are based on our current expectations and assumptions with respect to future events. While we believe our expectations and assumptions are reasonable, they involve risks and uncertainties beyond our control that could cause the actual results or outcome to differ materially from the expected results or outcome reflected in our forward-looking statements. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. Such risks and uncertainties include, without limitation, our ability to comply with the terms of our final judgment of permanent injunction by the Securities and Exchange Commission ("SEC"), the impact on our results of operations of our significant amount of debt service and interest expense, our ability to obtain and maintain normal terms with our vendors and service providers, our ability to maintain contracts that are critical to our operations, changes in the oil and gas industry or the economy generally, changes in the exploration budgets of our customers, actual customer demand for our seismic data and related services, the timing and extent of changes in commodity prices for natural gas, crude oil and condensate and natural gas liquids, and conditions in the capital markets during the periods covered by the forward-looking statements.

The forward-looking statements contained in this document speak only as of the date hereof. Except as required by federal, state and securities law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason. All forward-looking statements attributable to Seitel, Inc. or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in Seitel's annual report filed on Form 10-K and in other periodic reports filed with the SEC.

This material also contains certain non-GAAP financial measures as defined under the Securities and Exchange Commission rules. To comply with these rules, we have provided a reconciliation of such non-GAAP financial measures on our website under Investor Relations, where a copy of this presentation including the reconciliations has been posted.



Q3 Financial Results

\$ millions	3rd Quarter		2nd Quarter	Year to date	
	2006	2005	2006	2006	2005
Cash resales	26.3	20.3	27.0	86.9	65.5
Non-monetary exchanges	1.4	0.1	2.2	5.7	7.0
Selections less deferrals	4.6	(0.7)	3.4	4.1	12.0
Total resales	32.3	19.7	32.6	96.7	84.4
Acquisition revenue	12.2	3.6	13.4	36.2	19.5
Solutions & others	1.4	1.2	2.5	6.2	3.9
Total revenue	45.9	24.6	48.5	139.1	107.8
D&A	21.0	19.4	23.0	67.8	76.4
Gain on sale of seismic data	0.0	0.0	0.0	(0.2)	0.0
Cash operating expenses	7.8	7.0	8.2	24.5	21.7
Non-cash operating expenses	0.6	0.7	0.8	2.0	1.5
Operating income (loss)	16.4	(2.6)	16.5	45.0	8.3
Interest expense, net	(4.9)	(5.6)	(5.0)	(14.8)	(17.6)
Other income (expense)	(0.0)	2.0	1.3	1.1	1.2
Income (loss) before tax	11.6	(6.2)	12.8	31.3	(8.1)
Benefit (provision) for taxes	2.5	3.9	(0.2)	2.1	4.9
Income (loss) continuing ops	14.0	(2.4)	12.6	33.4	(3.2)
Cash margin	19.9	14.5	21.3	68.8	47.7
EBITDA	37.4	18.8	40.9	113.9	85.8



3D Onshore Library Activity – October 31, 2006

<u>Canada</u>	<u>Sq Miles</u>
Inventory @ 12/31/05	9,836
H1-06 Additions	243
Current Additions	25
Work in Progress	69

<u>Rocky Mountains</u>	<u>Sq. Miles</u>
Inventory @ 12/31/05	1,219
H1-06 Additions	186
Current Additions	149
Work in Progress	85

<u>No. Louisiana</u>	<u>Sq. Miles</u>
Inventory @ 12/31/05	399
H1-06 Additions	0
Current Additions	0
Work in Progress	0

<u>Texas Gulf Coast</u>	<u>Sq. Miles</u>
Inventory @ 12/31/05	6,497
H1-06 Additions	275
Current Additions	59
Work in Progress	121

<u>So. Louisiana & Miss</u>	<u>Sq. Miles</u>
Inventory @ 12/31/05	5,907
H1-06 Additions	643
Current Additions	66
Work in Progress	396





Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of Cash Resales to Total Revenue (in millions) (page 2):

	3Q06	3Q05	2Q06	Nine Months	
				2006	2005
Cash resales	\$ 26.3	\$ 20.3	\$ 27.0	\$ 86.9	\$ 65.5
Other revenue components:					
Acquisition revenue	12.2	3.6	13.4	36.2	19.5
Non-monetary exchanges	1.4	0.1	2.2	5.7	7.0
Revenue deferred	(5.2)	(8.9)	(13.1)	(33.2)	(33.7)
Recognition of revenue previously deferred	9.8	8.2	16.5	37.3	45.6
Solutions and other	1.4	1.2	2.5	6.2	3.9
Total revenue, as reported	<u>\$ 45.9</u>	<u>\$ 24.6</u>	<u>\$ 48.5</u>	<u>\$ 139.1</u>	<u>\$ 107.8</u>

Percentage change - increase:

	3Q05 to 3Q06
Cash resales	30%
Acquisition revenue	339%
Total revenue, as reported	87%



Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of Cash Margin to Operating Income (Loss)(in millions) (page 2):

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>	<u>Nine Months</u>		<u>TTM</u>
				<u>2006</u>	<u>2005</u>	<u>9/30/06</u>
Cash margin	\$ 19.9	\$ 14.5	\$ 21.3	\$ 68.8	\$ 47.7	\$ 93.3
Add:						
Acquisition revenue	12.2	3.6	13.4	36.2	19.5	40.5
Non-monetary exchanges	1.4	0.1	2.2	5.7	7.0	8.1
Revenue deferred	(5.2)	(8.9)	(13.1)	(33.2)	(33.7)	(46.4)
Recognition of revenue previously deferred	9.8	8.2	16.5	37.3	45.6	51.9
Less:						
Depreciation & amortization	(21.0)	(19.4)	(23.0)	(67.8)	(76.4)	(89.8)
Non-cash operating expenses	(0.6)	(0.7)	(0.8)	(2.0)	(1.5)	(5.2)
Operating income (loss), as reported	<u>\$ 16.4</u>	<u>\$ (2.6)</u>	<u>\$ 16.5</u>	<u>\$ 45.0</u>	<u>\$ 8.3</u>	<u>\$ 52.4</u>



Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of EBITDA to Income (Loss) from Continuing Operations (in millions) (page 2):

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>	<u>Nine Months</u>	
				<u>2006</u>	<u>2005</u>
EBITDA	\$ 37.4	\$ 18.8	\$ 40.9	\$ 113.9	\$ 85.8
Less:					
Interest expense, net	(4.9)	(5.6)	(5.0)	(14.8)	(17.6)
Depreciation & amortization	(21.0)	(19.4)	(23.0)	(67.8)	(76.4)
Income tax benefit (expense)	2.5	3.9	(0.2)	2.1	4.9
Income (loss) from continuing operations, as reported	<u>\$ 14.0</u>	<u>\$ (2.4)</u>	<u>\$ 12.6</u>	<u>\$ 33.4</u>	<u>\$ (3.2)</u>



Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of Cash Operating Expenses to Total SG&A Expenses (in millions) (page 2):

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>	<u>Nine Months</u>	
				<u>2006</u>	<u>2005</u>
Cash operating expenses	\$ 7.8	\$ 7.0	\$ 8.2	\$ 24.5	\$ 21.7
Less:					
Cost of Sales	-	-	(0.1)	(0.2)	(0.1)
Add:					
Non-cash SG&A	0.6	0.7	0.8	2.0	1.5
Total SG&A, as reported	<u>\$ 8.4</u>	<u>\$ 7.7</u>	<u>\$ 8.9</u>	<u>\$ 26.3</u>	<u>\$ 23.1</u>



Reconciliation of Certain non-GAAP Measures to GAAP

Reconciliation of Net Cash Investment to Total Capital Expenditures (in millions):

	3Q06	Nine Months 2006	Estimate for 2006
Net cash investment	<u>\$ 5.6</u>	<u>\$ 33.4</u>	<u>\$ 39.8</u>
Add:			
Non-monetary exchanges	2.0	8.9	14.1
Cash underwriting	11.8	33.2	43.4
Total capital expenditures, as reported	<u>\$ 19.4</u>	<u>\$ 75.5</u>	<u>\$ 97.3</u>

