FOR IMMEDIATE RELEASE

Contact: Marcia Kendrick
713-881-8900

***SEITEL ANNOUNCES FOURTH QUARTER AND YEAR END 2015 RESULTS***

**HOUSTON,** February 19, 2016 - Seitel, Inc., a leading provider of seismic data to the oil and gas industry, today reported results for the fourth quarter and year ended December 31, 2015.

*Fourth Quarter Highlights -*

- Total revenue totaled $14.0 million compared to $52.4 million in Q4 2014.
- Cash resales totaled $13.0 million compared to $35.8 million in Q4 2014.
- Cash EBITDA was $9.1 million compared to $29.3 million in Q4 2014.
- Net loss was $96.0 million compared to net income of $0.7 million in Q4 2014.

*Full Year Highlights -*

- Total revenue totaled $100.3 million compared to $198.0 million in 2014.
- Cash resales totaled $44.4 million compared to $123.5 million in 2014.
- Cash EBITDA was $25.3 million compared to $98.9 million in 2014.
- Net loss was $110.0 million compared to net income of $9.7 million in 2014.

Total revenue for the fourth quarter of 2015 was $14.0 million, consisting of acquisition underwriting revenue of $4.1 million, resale licensing revenue of $9.3 million and Solutions and other revenue of $0.6 million. This compares to total revenue of $52.4 million in the fourth quarter of 2014, consisting of acquisition underwriting revenue of $17.4 million, resale licensing revenue of $34.0 million and Solutions and other revenue of $0.9 million. Cash resales, a component of resale licensing revenue, were $13.0 million in the fourth quarter of 2015 compared to cash resales of $35.8 million in the fourth quarter of 2014. Both acquisition underwriting revenue and cash resales in the fourth quarter of 2015 were significantly impacted by the reductions in customer spending resulting from the persistently low crude oil prices.

Total revenue for the year ended December 31, 2015 was $100.3 million compared to $198.0 million for the same period last year. Acquisition underwriting revenue was $42.7 million in 2015 compared to $60.0 million in 2014. The decrease in acquisition underwriting revenue was primarily attributable to a reduction in activity in the U.S. and Canada due to a decline in capital spending by E&P companies as a result of the prolonged and deep decline in crude oil prices. Our new data acquisition activity in 2015 primarily occurred in the Eagle Ford/Woodbine and Permian unconventional plays in the U.S. and the Montney and Cardium unconventional plays in Canada. Total resale licensing revenue was $55.2 million in 2015 compared to $134.1 million in 2014. Cash resales in 2015 were $44.4 million compared to $123.5 million in 2014 reflecting lower activity levels by our clients as a result of less drilling and reduced capital expenditures stemming from the drop in crude oil prices beginning in late 2014 and continuing throughout 2015. Solutions and other revenue was $2.3 million in 2015 compared to $4.0 million in 2014.

"Our cash resale activity continues to be impacted by reduced E&P capital spending. Our clients' limited access to year-end budget money impacted our fourth quarter cash resales," commented Rob Monson, chief executive officer and president. "And, we expect to continue to see weak demand for seismic data as long as commodity prices remain at current levels.

"We have implemented a number of measures to deal with this challenging industry environment, including significantly reducing our investment in new data acquisition for 2016. We believe our current library is of the size and geographic diversity to provide our clients with data to fulfill their needs in 2016 allowing us to reduce our investment in new data. Additionally, we have reduced our headcount by 30% since the beginning of 2015 and have implemented other cost cutting measures. We believe we are well positioned to deal with this difficult environment due to our variable operating structure, asset-light business model and strong cash balance of $52.7 million at year-end," continued Monson.

(more)

Net loss was $96.0 million for the fourth quarter of 2015 compared to net income of $0.7 million for the fourth quarter of 2014 and our net loss was $110.0 million for the year ended December 31, 2015 compared to net income of $9.7 million for the year ended December 31, 2014. The 2015 periods included $88.7 million of income tax expense recorded at December 31, 2015 in order to provide a valuation allowance on our U.S. federal and state deferred tax assets. The 2015 periods were also impacted by lower revenues partially offset by lower amortization of seismic data and a decrease in selling, general and administrative ("SG&A") expenses.

Cash EBITDA, generally defined as cash resales and solutions revenue less cash operating expenses (excluding various non-routine items), was $9.1 million in the fourth quarter of 2015 compared to $29.3 million in the same period of 2014. Cash EBITDA was $25.3 million for the year ended December 31, 2015 compared to $98.9 million in 2014. The decrease from 2014 to 2015 in both periods was primarily due to the reduced level of cash resales.

SG&A expenses were $5.0 million in the fourth quarter of 2015 compared to $8.3 million in the fourth quarter of last year. SG&A expenses were $22.2 million for the year ended December 31, 2015 compared to $29.8 million in 2014. The decreases between periods were mainly due to a reduction in variable expenses, consisting of commissions and annual incentive compensation, resulting from the decrease in revenue and Cash EBITDA. In addition, non-variable expenses were lower due to a targeted reduction in overall expenses including headcount reductions during 2015 through attrition and our October 2015 layoff, reductions in travel and entertainment and various other planned cost savings.

In 2015, our net cash capital expenditures totaled $29.0 million. Gross capital expenditures were $80.9 million, of which $67.4 million related to new data acquisition.

In light of the current industry environment, we have significantly reduced our net cash capital expenditure budget for 2016 down to $6.3 million, primarily reflecting completion of our current acquisition programs and reprocessing of certain 2D data located in Mexico. Our current backlog of net cash capital expenditures related to new data acquisition programs is $1.6 million, which we expect all to be incurred in 2016.

ABOUT SEITEL
Seitel is a leading provider of onshore seismic data to the oil and gas industry in North America. Seitel's data products and services are critical in the exploration for and development of oil and gas reserves by exploration and production companies. Seitel has ownership in an extensive library of proprietary onshore and offshore seismic data that it has accumulated since 1982 and that it licenses to a wide range of exploration and production companies. Seitel believes that its library of 3D onshore seismic data is the largest available for licensing in North America and includes leading positions in oil, liquids-rich and natural gas unconventional plays. Seitel has ownership in approximately 43,500 square miles of 3D onshore data, over 10,000 square miles of 3D offshore data and approximately 1.1 million linear miles of 2D seismic data concentrated in the major active North American oil and gas producing regions. Seitel serves a market which includes over 1,600 companies in the oil and gas industry.

*This press release contains "forward-looking statements" within the meaning of the federal securities laws, which involve risks and uncertainties. Statements contained in this press release about our 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, among others. All statements that express belief, expectation, estimates or intentions, as well as those that are not statements of historical fact, are forward-looking. The words "believe," "expect," "anticipate," "estimate," "project," "propose," "plan," "target," "foresee," "should," "intend," "may," "will," "would," "could," "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements represent our present belief and are based on our current expectations and assumptions with respect to future events and their potential effect on us. 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 in this press release may not occur. Such risks and uncertainties include, without limitation, 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, conditions in the capital markets during the periods covered by the forward-looking statements, the effect of economic conditions, our ability to*

(more)

*obtain financing on satisfactory terms if internally generated cash flows and available borrowings under our revolving credit facility are insufficient to fund our capital needs, the impact on our financial condition as a result of our debt and our debt service, 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 and changes in the capital expenditure budgets of our customers. For additional information regarding known material factors that could cause our actual results to differ, please see our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.*

*The forward-looking statements contained in this press release speak only as of the date hereof and readers are cautioned not to place undue reliance on such forward-looking statements. Except as required by federal and state securities laws, 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 herein, in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and future reports filed with the SEC.*

*This press release also includes certain non-GAAP financial measures as defined under SEC rules. Non-GAAP financial measures include cash resales, for which the most comparable GAAP measure is total revenue; cash EBITDA, for which the most comparable GAAP measure is net income (loss); and net cash capital expenditures, for which the most comparable GAAP measure is total capital expenditures. Reconciliations of each non-GAAP financial measure to its most comparable GAAP measure are included at the end of this press release.*

(Tables to follow)

**SEITEL, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

***(In thousands, except share and per share amounts)***

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 52,675 | $ 59,175 |
| Receivables, net | 17,304 | 56,091 |
| Net seismic data library | 161,363 | 165,079 |
| Net property and equipment | 2,603 | 3,857 |
| Prepaid expenses, deferred charges and other | 6,487 | 10,075 |
| Intangible assets, net | 5,528 | 10,013 |
| Goodwill | 179,792 | 193,722 |
| Deferred income taxes | 39 | 81,744 |
| TOTAL ASSETS | $ 425,791 | $ 579,756 |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| LIABILITIES | | |
| Accounts payable | $ 8,077 | $ 18,433 |
| Accrued liabilities | 14,981 | 12,074 |
| Employee compensation payable | 592 | 3,893 |
| Income taxes payable | — | 197 |
| Senior Notes | 250,000 | 250,000 |
| Obligations under capital leases | 1,661 | 2,219 |
| Deferred revenue | 25,903 | 34,517 |
| Deferred income taxes | 2,361 | 5,334 |
| TOTAL LIABILITIES | 303,575 | 326,667 |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDER'S EQUITY | | |
| Common stock, par value $.001 per share; 100 shares authorized, issued and outstanding | — | — |
| Additional paid-in capital | 400,505 | 400,177 |
| Retained deficit | (258,766) | (148,776) |
| Accumulated other comprehensive income (loss) | (19,523) | 1,688 |
| TOTAL STOCKHOLDER'S EQUITY | 122,216 | 253,089 |
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | $ 425,791 | $ 579,756 |

(more)

**SEITEL, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

***(In thousands)***

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (unaudited) | | | |
| REVENUE | $ 13,962 | $ 52,351 | $ 100,252 | $ 198,037 |
| EXPENSES: | | | | |
| Depreciation and amortization | 12,809 | 35,085 | 80,923 | 121,023 |
| Cost of sales | 31 | 22 | 195 | 304 |
| Selling, general and administrative | 5,034 | 8,300 | 22,184 | 29,799 |
| | 17,874 | 43,407 | 103,302 | 151,126 |
| INCOME (LOSS) FROM OPERATIONS | (3,912) | 8,944 | (3,050) | 46,911 |
| Interest expense, net | (6,370) | (6,305) | (25,390) | (25,029) |
| Foreign currency exchange losses | (91) | (630) | (1,650) | (1,974) |
| Other income (loss) | — | (1) | 5 | 63 |
| Income (loss) before income taxes | (10,373) | 2,008 | (30,085) | 19,971 |
| Provision for income taxes | 85,640 | 1,283 | 79,905 | 10,293 |
| NET INCOME (LOSS) | $ (96,013) | $ 725 | $ (109,990) | $ 9,678 |

(more)

Cash resales represent new contracts for data licenses from our library, including data currently in progress, payable in cash. We believe this measure is important in assessing overall industry and client activity. Cash resales are likely to fluctuate quarter to quarter as they do not require the longer planning and lead times necessary for new data creation. The following table summarizes the components of Seitel's revenue and shows how cash resales (a non-GAAP financial measure) are a component of total revenue, the most directly comparable GAAP financial measure (in thousands):

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Total acquisition underwriting revenue | $ 4,051 | $ 17,448 | $ 42,734 | $ 59,960 |
| Resale licensing revenue: | | | | |
| Cash resales | 12,998 | 35,759 | 44,350 | 123,530 |
| Non-monetary exchanges | 1,352 | 564 | 9,300 | 741 |
| Revenue recognition adjustments | (5,059) | (2,280) | 1,554 | 9,806 |
| Total resale licensing revenue | 9,291 | 34,043 | 55,204 | 134,077 |
| Total seismic revenue | 13,342 | 51,491 | 97,938 | 194,037 |
| Solutions and other | 620 | 860 | 2,314 | 4,000 |
| Total revenue | $ 13,962 | $ 52,351 | $ 100,252 | $ 198,037 |

Cash EBITDA represents cash generated from licensing data from our seismic library net of recurring cash operating expenses. We believe this measure is helpful in determining the level of cash from operations we have available for debt service and funding of capital expenditures (net of the portion funded or underwritten by our customers). Cash EBITDA includes cash resales plus all other cash revenues other than from data acquisitions, less cost of goods sold and cash selling, general and administrative expenses (excluding non-routine and other corporate expenses). The following is a quantitative reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure, net income (loss) (in thousands):

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Cash EBITDA | $ 9,143 | $ 29,346 | $ 25,263 | $ 98,943 |
| Add (subtract) other revenue components not included in cash EBITDA: | | | | |
| Acquisition underwriting revenue | 4,051 | 17,448 | 42,734 | 59,960 |
| Non-monetary exchanges | 1,352 | 564 | 9,300 | 741 |
| Revenue recognition adjustments | (5,059) | (2,280) | 1,554 | 9,806 |
| Solutions non-cash revenue | — | — | 13 | — |
| Add (subtract) other items included in net income (loss): | | | | |
| Depreciation and amortization | (12,809) | (35,085) | (80,923) | (121,023) |
| Non-cash operating expenses | (64) | (119) | (328) | (536) |
| Non-routine and other corporate expenses | (526) | (930) | (663) | (980) |
| Interest expense, net | (6,370) | (6,305) | (25,390) | (25,029) |
| Foreign currency losses | (91) | (630) | (1,650) | (1,974) |
| Other income (loss) | — | (1) | 5 | 63 |
| Provision for income taxes | (85,640) | (1,283) | (79,905) | (10,293) |
| Net income (loss) | $ (96,013) | $ 725 | $ (109,990) | $ 9,678 |

(more)

Net cash capital expenditures represent total capital expenditures less cash underwriting revenue from our clients and non-cash additions to the seismic data library. We believe this measure is important as it reflects the amount of capital expenditures funded from our operating cash flow. The following table summarizes our actual capital expenditures for 2015 and our estimate for the year ending December 31, 2016 and shows how net cash capital expenditures (a non-GAAP financial measure) are derived from total capital expenditures, the most directly comparable GAAP financial measure (in thousands):

| | Year Ended December 31, 2015 | Estimate for 2016 |
|---|---|---|
| New data acquisition | $ 67,374 | $ 18,100 |
| Cash purchases and data processing | 3,763 | 2,800 |
| Non-monetary exchanges | 9,311 | 2,800 |
| Property and equipment and other | 414 | 700 |
| Total capital expenditures | 80,862 | 24,400 |
| Less: | | |
| Non-monetary exchanges | (9,311) | (2,800) |
| Cash underwriting | (42,566) | (15,300) |
| Net cash capital expenditures | $ 28,985 | $ 6,300 |

# # #