Consolidated Financial Statements

For the Year Ended
December 31, 2014

Divestco Inc.
Consolidated Financial Statements
For the year ended December 31, 2014

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To the Shareholders of Divestco Inc.

Management, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), has prepared the accompanying consolidated financial statements of Divestco Inc. (the "Company"). Financial and operating information presented throughout management's discussion and analysis is consistent with that shown in the consolidated financial statements.

Management is responsible for the integrity of the financial information. Internal control systems are designed and maintained to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

KPMG LLP were appointed by the Company's Audit Committee to conduct an audit of the consolidated financial statements of the Company so as to express an opinion on the financial statements. KPMG LLP have audited the consolidated financial statements to provide reasonable assurance that the consolidated financial statements are presented fairly in accordance with IFRS as issued by the IASB.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Audit Committee. The Audit Committee meets regularly with management and the independent auditors to ensure that management's responsibilities are properly discharged, to review the consolidated financial statements and recommend that the consolidated financial statements be presented to the Board of Directors for approval. The Audit Committee also considers the independence of the external auditors and reviews their fees. The external auditors have access to the Audit Committee without the presence of management.

"Stephen Popadynetz"

Stephen Popadynetz
Chief Executive Officer and President

"Danny Chiarastella"

Danny Chiarastella
Chief Financial Officer

Calgary, Canada
April 28, 2015

To the Shareholders of Divestco Inc.
We have audited the accompanying consolidated financial statements of Divestco Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter – Going Concern
Without modifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes that the Company will need to complete asset dispositions or obtain other financing to settle its liabilities, fund its operations and meet its commitments. There is no assurance that the Company will be successful with future asset dispositions or obtaining a credit facility. These conditions, along with the other matters explained in Note 2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about Divestco Inc.'s ability to continue as a going concern.

"KPMG LLP"

Chartered Accountants
Calgary, Canada
April 28, 2015

Divestco Inc.
Consolidated Statements of Financial Position

		At December 31	
(Thousands)	**Note**	**2014**	**2013**
Assets			
Current Assets			
Cash		**$ 4,344**	$ 417
Accounts receivable		**9,396**	9,136
Prepaid expenses, supplies and deposits		**661**	300
Income taxes receivable		**46**	502
Total current assets		**14,447**	10,355
Equity-accounted investees	8	**222**	133
Participation surveys in progress		**9,011**	4,733
Property and equipment	9	**2,551**	2,869
Intangible assets	10	**24,637**	22,631
Total assets		**$ 50,868**	$ 40,721
Liabilities and Shareholders' Equity			
Current Liabilities			
Bank indebtedness		**$ -**	$ 2,996
Accounts payable and accrued liabilities		**13,568**	6,935
Deferred revenue		**3,171**	2,756
Current portion of debt obligations	15	**11,194**	2,311
Current portion of other long-term liabilities	16	**408**	408
Total current liabilities		**28,341**	15,406
Long-term debt obligations	15	**557**	5,591
Other long-term liabilities	16	**1,532**	1,869
Total liabilities		**30,430**	22,866
Shareholders' Equity			
Share capital	18	**7,270**	7,266
Contributed surplus		**8,061**	7,989
Retained earnings		**5,107**	2,600
Total shareholders' equity		**20,438**	17,855
Going concern	2		
Subsequent events	15,27		
Contractual obligations	21		
Total liabilities and shareholders' equity		**$ 50,868**	$ 40,721

Approved by the Board:

"Edward Molnar"
Edward Molnar, Chairman

"Stephen Popadynetz"
Stephen Popadynetz, Director

Divestco Inc.
Consolidated Statements of Income and Comprehensive Income

(Thousands, Except Per Share Amounts)	Note	Year ended December 31 2014	2013
Revenue	11	**$ 36,120**	$ 33,979
Operating expenses			
Salaries and benefits		**13,923**	14,775
General and administrative	12	**9,059**	8,138
Depreciation and amortization	9,10	**9,134**	6,889
Other loss (income)	14	**(207)**	1,683
Share-based payments	19	**72**	160
Total operating expenses		**31,981**	31,645
Finance costs	13	**1,663**	1,007
Income before income taxes		**2,476**	1,327
Income taxes			
Current (recovery)	17	**(31)**	-
Net income and comprehensive income for the year		**$ 2,507**	$ 1,327
Net income per share			
Basic and Diluted	18	**$ 0.04**	$ 0.02

Divestco Inc.
Consolidated Statements of Changes in Equity

(Thousands)	Number of Shares Issued	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total Equity
Balance as at January 1, 2013	66,758	$ 7,216	$ 7,829	$ 1,273	$ 16,318
Net income and comprehensive income for the year				1,327	1,327
Transactions with owners, recorded in equity contributions by and distributions to owners:					
Issuance of Class A common shares as service awards	292	50			50
Share-based payments			160		160
Balance as at December 31, 2013	67,050	$ 7,266	$ 7,989	$ 2,600	$ 17,855
Net income and comprehensive income for the year				**2,507**	**2,507**
Transactions with owners, recorded in equity contributions by and distributions to owners:					
Issuance of Class A common shares as service awards	**46**	**4**			**4**
Share-based payments			**72**		**72**
Balance as at December 31, 2014	**67,096**	**$ 7,270**	**$ 8,061**	**$ 5,107**	**$ 20,438**

The notes are an integral part of the consolidated financial statements.

Divestco Inc.
Consolidated Statements of Cash Flows

		Year ended December 31	
(Thousands)	**Note**	**2014**	**2013**
Cash from (used in) operating activities			
Net income for the year		**$ 2,507**	$ 1,327
Items not affecting cash:			
Equity investment income		**(168)**	(3)
Depreciation and amortization	9,10	**9,134**	6,889
Amortization of tenant inducements		**(72)**	(93)
Deferred rent obligations		**72**	262
Income taxes recoverable		**(31)**	-
Loss on disposal of intangibles	10	**-**	1,005
Impairment of property and equipment	9	**-**	678
Non-cash employment benefits		**4**	50
Share-based payments		**72**	160
Finance costs	13	**1,663**	1,007
Funds from operations		**13,181**	11,282
Changes in non-cash working capital balances	20	**(1,902)**	(1,938)
Interest and finance costs paid		**(1,358)**	(846)
Income taxes received		**253**	-
Net cash from operating activities		**10,174**	8,498
Cash from (used in) financing activities			
Bank indebtedness	15	**(2,996)**	(1,454)
Repayment of debt obligations	15	**(3,106)**	(2,617)
Deferred financing costs	15	**(181)**	(298)
Proceeds received from debt obligations	15	**6,600**	4,325
Net cash from (used in) financing activities		**317**	(44)
Cash from (used in) investing activities			
Additions to intangible assets	10	**(8,740)**	(3,604)
Decrease in participation surveys in progress		**(4,278)**	(1,225)
Purchase of property and equipment	9	**(48)**	(408)
Lease incentive	21	**-**	144
Payments towards sublease loss provision	21	**(356)**	(356)
Investment in equity-accounted investees	8	**-**	(200)
Advances to equity-accounted investees	8	**79**	458
Deferred development costs	10	**(1,550)**	(1,824)
Changes in non-cash working capital balances	20	**8,329**	(2,342)
Net cash used in investing activities		**(6,564)**	(9,357)
Increase (decrease) in cash		**3,927**	(903)
Cash, beginning of year		**417**	1,320
Cash, end of year		**$ 4,344**	$ 417

1. Reporting Entity

Divestco Inc. ("Divestco" or the "Company") is a company domiciled in Canada. The Company's registered office is located at Suite 400, 604 – 1st Street S.W., Calgary, Alberta, Canada. Divestco is publicly traded on the TSX Venture Exchange ("TSX-V") under the symbol "DVT". The consolidated financial statements of the Company as at and for the year ended December 31, 2014 are comprised of Divestco Inc. and its subsidiaries (together referred to as "Divestco" or the "Company") and the Company's interest in entities where it holds a significant influence. Divestco primarily offers its customers the ability to access and analyze information and make business decisions to optimize their success in the upstream oil and gas industry through the following operating segments: Software & Data, Services and Seismic Data. The Corporate and Other segment provides support services to the operating segments.

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at December 31, 2014, the Company had a working capital deficiency of $10.7 million (2013: $2.3 million deficiency), excluding deferred revenue of $3.2 million (2013: $2.8 million). In addition, the Company has contractual obligations (Note 21 and 23). On September 30, 2014, the Company entered into a short-term bridge loan to fully repay all bank indebtedness (Note 15). On March 25, 2015, the Company repaid the loan in full with the proceeds from the sale of its land software assets (Note 27).

The Company's ability to continue as a going concern is dependent upon the Company's ability to obtain other financing or completing other asset dispositions to settle its liabilities, fund its operations, and meet its commitments until it is in a position to generate positive net future cash flows and profitability. The Company believes that it will be able to meet its cash flow requirements over at least the next 12 months, however, the outcome of the actions and events described above cannot be predicted at this time. As a result of the uncertainty of completing the above transactions, there is material uncertainty that may cast significant doubt as to the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

3. Basis of Presentation

(a) Statement of Compliance

The consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies under IFRS are presented in Note 4.

These consolidated financial statements were authorized for issuance by the Company's Audit Committee and Board of Directors on April 28, 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand except for share and per share amounts.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is as follows:

- Determination of cash generating units for purposes of impairment testing. Management determined that the Company's non-financial assets, excluding deferred income tax assets, have been allocated to the following CGUs: Geomatics, Processing, Land Management Services, Seismic Data and Land Software, Geological Software and Log Data and Geophysical Software. These CGUs constitute the smallest identifiable group of assets that generate cash inflows that are independent of cash flows from other assets or groups of assets
- Determination if the Company intends to and has sufficient resources to complete development and to use or sell assets for which development costs have been capitalized
- Determination of the stage of completion with respect to providing products and services over time where revenue is recognized in proportion to the stage of completion
- Determination of when significant risks and rewards of ownership have been transferred to the customer for the purpose of recognizing revenue
- Determination of whether the Company acts as an agent rather than the principal in seismic brokerage transactions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Determination of the useful life and recoverable amount of property and equipment
- Determination of the useful life and recoverable amount of intangible assets
- Key assumptions used in discounted cash flow projections with respect to impairment testing and going concern assessment
- Key assumptions used in determining if the criteria are met for capitalizing development expenditures including: development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset
- Scientific research and development claims are subject to audit by the science advisors from the Canada Revenue Agency. As a result, the amounts recorded as investment tax credits recoverable are subject to specific measurement uncertainty. When the estimate is known to be materially different from the actual recovery, an adjustment is made in the period in which the determination is made
- Determination of allowances in respect of trade receivables for which collection is in doubt
- Notwithstanding management's belief in the merit of the Company's tax filing positions, it is possible that the final outcome of any audits by taxation authorities may differ from estimates and assumptions used in determining the Company's consolidated tax provision and accruals, which could result in a material effect on the consolidated income tax provision and net income (loss) for the period in which determinations are made. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. In particular, the tax treatment of seismic data is largely based on Canada Revenue Administration ("CRA") policy which is subject to change at any time. The Company is currently deducting certain seismic data costs over a period of 4 years. This approach is consistent with CRA's administrative policy; however, CRA may change the existing policy. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could result in material adjustments to the Company's income tax calculations, carry-forward balances or consolidated net income (loss) in the period a change is communicated.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these consolidated statements, unless otherwise indicated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control is presumed when the Company acquires the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Typically this occurs when more than 50 percent of the voting rights of the entity are acquired.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

(ii) Joint arrangements

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations ("JO") and joint ventures ("JV").
A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to our interests in joint operations, we recognize our share of any assets, liabilities, revenues and expenses of the JO.

A JV is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Investment in JV is accounted for using the equity method.

(iii) Associates

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20% if we have the power to be actively involved and influential in policy decisions affecting the entity. Our share of the net assets and net income or loss is accounted for in the consolidated financial statements using the equity method of accounting.

On acquisition, an equity method investment is initially recognized at cost. The carrying amount of equity method investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The carrying amount is adjusted by our share of post-acquisition net income or loss, depreciation, amortization or impairment of the fair value adjustments made at the date of acquisition, dividends, cash contributions and our share of post-acquisition movements in Other Comprehensive Income ("OCI")

Outlined below is information related to the Company's joint arrangements and entities other than 100% owned Divestco subsidiaries at December 31, 2014:

	Place of business	Entity type	Economic interest	Method
SDLS Inc.	Canada	JO	50%	Equity method
CWD Inc.	Canada	JO	33%	Equity method

(iv) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

The Company translates amounts of foreign currency into Canadian dollars on the following basis:

- monetary assets and liabilities – at the rate of exchange prevailing at the end of the current reporting period

- non-monetary items – at the rate of exchange prevailing at the date of the transaction

Gains and losses on translation of current monetary assets and liabilities are recorded in profit or loss. Foreign currency gains are netted with losses.

(c) Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes accounts receivables on the date that they originate. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company's financial assets are classified as loans and receivables.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise accounts receivables and cash. Cash is comprised of cash on deposit.

(iii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company’s non-derivative financial liabilities include long-term debt obligations, bank indebtedness and accounts payables and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using

the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. The effective interest rate method amortization is included in finance costs in the consolidated statement of income and comprehensive income.

(iv) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset or any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replacement part is derecognized. The costs of the day-to-day servicing of property and equipment (repair and maintenance) are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	Amortization Method	Rate
Computer hardware and software	Straight-line	3 years
Office furniture and equipment	Straight-line	5 years
Leasehold improvements	Straight-line	Term of lease
Assets under finance lease	Straight-line	Term of lease

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The Company recognizes changes in estimates in the period of the change.

(e) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property and equipment are no longer amortized or depreciated.

(f) Intangible Assets

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets are recorded at cost less accumulated amortization. Intangible assets acquired in a business combination are recorded at fair value, less accumulated amortization and impairment losses, when applicable.

(i) Proprietary software and code

This refers to geological, geophysical and land applications used in the oil and gas industry. Expenditures relating to developing and upgrading these assets are capitalized when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Data Libraries

The cost associated with purchasing existing seismic data is capitalized. The Company also creates seismic data and capitalizes the costs paid to third parties for the acquisition of data, permitting, surveying and other related expenditures. Created seismic may be acquired without pre-sale commitments or with pre-sale commitments that may include an exclusive data use period. Certain of the created seismic may also be acquired jointly with others and therefore these financial statements reflect only the Company's proportionate share of the costs of the jointly created seismic data library. The direct cost associated with expanding the remaining data libraries (datasets, logs, support, drilling, reference and map libraries) is also capitalized.

(iv) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(v) Amortization

Amortization is provided for as follows:

	Amortization Method	Rate
Proprietary software and code	Straight-line	10 years
Deferred development costs	Straight-line	3 years (maximum)
Seismic data library (with pre-sale commitments)	Percentage on delivery and straight-line thereafter	40% on delivery date and balance straight-line over 6 years after year 1
Seismic data library (no pre-sale commitments)	Straight-line	7 to 10 years
Datasets	Straight-line	10 years
Log, support and drilling data library	Straight-line	20 years
Reference library	Straight-line	5 years
Map library	Straight-line	15 years

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in profit or loss on a straight-line basis (except for seismic data with pre-sale commitments) over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Created seismic, without pre-sale commitments, is amortized on a straight-line basis over a seven-year period. Created seismic with pre-sale commitments is initially amortized at approximately 40% on delivery of the data to the customer with the remaining balance on a straight-line basis over the next six-year period commencing a year from the delivery date. Purchases of existing seismic data are amortized on a straight-line basis over 10 years.

Amortization of development costs deferred to future periods commences with the commercial production of the product and is charged to profit or loss based on anticipated sales or use of the product over a period not exceeding three years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The Company recognizes changes in estimates in the period of the change.

(g) Impairment

(i) Financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and the loss event has a negative impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise or indications that a debtor or issuer will enter bankruptcy.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between carrying amount of the assets and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The Company reviews its receivables regularly and amounts are written down to their expected realizable value when outstanding amounts are determined not to be fully collectable. This generally occurs when the customer has indicated an inability to pay, the Company is unable to communicate with the customer over an extended period of time, and other methods to obtain payment have been considered and have not been successful. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized as a bad debt expense in profit or loss. The receivable together with the associated allowance is written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to bad debt expense in profit or loss.

Estimates of the allowance for doubtful accounts are determined on a customer-by-customer evaluation of collectability at each reporting date taking into consideration the length of time the receivable has been outstanding, specific knowledge of each customer's financial condition and historical experience. In addition, the Company records an allowance for doubtful accounts equal to 20% of balances that are older than 120 days based on historical experience.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Employee benefits

(i) Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to officers, employees, contractors and directors ("Service Providers") is recognized as an expense, with a corresponding increase in contributed surplus, over the period that the Service Providers unconditionally become entitled to the awards (vesting period). The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Site restoration

In accordance with the Company's applicable environmental and legal requirements, a provision for site restoration in respect of any timber damage caused during the acquisition of seismic data is recognized as part of the related asset. If the actual amount of timber damage cannot be assessed prior to the completion of the seismic survey, an accrual is recorded based on an estimate of the restoration costs.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(j) Revenue recognition and deferred revenue

The Company generates revenue from the following sources:

- Seismic data licences
- Geomatics, land management and seismic processing services
- Software sales, licences and development consulting
- Support and log data sales and subscriptions
- Seismic brokerage commissions

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of cancellations, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of a executed sale contract, significant risks and rewards of ownership have been transferred to the customer, there is no continuing managerial involvement with the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, and the associated costs and possible returns can be estimated reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales contracts as discussed below.

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by the reference to surveys of work performed.

Contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract as soon as the outcome of the contract can be estimated reliably. Contract expenses are recognized as incurred unless they create an asset in which case the costs are capitalized. The stage of completion is assessed by reference to the amount of costs incurred to the total expected contract costs. When the

outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission earned by the Company.

(i) Software sales, licences and development consulting (including maintenance and support)

Software is sold through a perpetual license or on a term-basis with a customer (monthly, quarterly, semi-annual and annual terms). Maintenance and support includes installation, training and integration, maintenance, software support, updates and the right to receive product upgrades on a when and if available basis.

Revenue earned from the sale of perpetual software licences is recognized upon delivery. Maintenance and support for the first year is included with the product and recognized as revenue rateably over the term defined in the purchase agreement. Revenue earned from the renewal of maintenance and support contracts is recognized rateably over the term of the agreement.

Revenue from periodic software licences which includes maintenance and support is recognized rateably over the term of the licence.

Revenue for software development consulting is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by the reference to surveys of work performed. If there is a significant uncertainty about the project completion or receipt of payment, revenue is deferred until the uncertainty is sufficiently resolved. When total cost estimates exceed revenues, the Company will accrue for the estimated losses as an expense immediately using cost estimates that are based upon an average fully burdened rate applicable to the individuals performing the feature development.

(ii) Support and log data sales and subscriptions

Support and log data is sold to customers on a transactional or term-basis. Revenue earned from transactional sales of support and log data is recognized upon delivery. Revenue from support and log data subscriptions is recognized rateably over the term of the subscription.

(iii) Seismic brokerage commissions

Revenue with respect to the seismic brokerage division represents brokerage commissions earned from selling seismic data on behalf of others and is recognized on a net basis upon the closing of the transaction. Generally, the Company settles brokerage payables after the related receivables are collected.

(iv) Seismic Data library sales

Revenue is recognized when the customer executes a valid license agreement, transfer of seismic data to the customer occurs and recovery of the consideration is probable. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

(v) Seismic participation survey revenue

The Company has customers that participate in new seismic surveys from which it retains the proprietary rights over the data and the participating customers are provided a licensed copy.

Participation survey revenue is recognized in the financial statements in proportion to the stage of completion of the project when the total contract revenue, total contract costs, contract costs to completion and the stage of completion at the reporting date can be measured reliably. The stage of completion is assessed using the proportion of contract cost incurred for work performed to the reporting date compared to total contract cost.

The Company occasionally enters into data and services exchange transactions with third parties. Where there is no or minimal cash consideration, the Company does not recognize revenue or an asset acquisition on these exchanges. In exchange transactions with material cash consideration, the Company recognizes revenue equal to the fair value of the data license and services sold and a seismic data library asset equal to the fair value of the data acquired. Cash flows from investing activities and operating activities reflect only the net cash portion.

(vi) Geomatics, land management and seismic processing services

Revenue with respect to providing geomatics, land management and seismic processing services is recognized in the financial statements in proportion to the stage of completion of the project. Revenue is recognized when the total contract revenue, total contract costs, contract costs to completion and the stage of completion at the reporting date can be measured reliably. The stage of completion is assessed using the proportion of contract cost incurred for work performed to the reporting date compared to total contract cost.

(vii) Deferred revenue

Fees that have been prepaid but do not yet qualify for revenue recognition under the Company's accounting policies are reflected as deferred revenues on the Company's consolidated statement of financial position.

(k) Leases

(i) Operating leases

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

(ii) Finance leases

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) Finance costs

Finance costs comprise interest on borrowings and unwinding of the discount on provisions.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the tax authority intends to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Net income or loss per share

The Company presents basic and diluted net income or loss per share data for its common shares. Basic net income or loss per share is calculated by dividing net income or loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted net income or loss per share is determined by adjusting the net income or loss attributable to ordinary shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise stock options.

(o) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the CEO, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is

available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets.

(p) Investment tax credits

The Company records investment tax credits related to scientific research and development claims on the cost reduction basis whereby investment tax credits are netted against deferred development costs in the year the tax credits are earned and amortized in profit or loss on the same basis as the deferred development costs.

5. Adoption of New IFRS Standards and Interpretations

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

In 2013, the IASB issued *IFRIC 21 Levies*, which was developed by the IFRS Interpretations Committee ("IFRIC"). IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014; accordingly, the Company has adopted this standard for the year ended December 31, 2014. The adoption of this standard had no material impact on the consolidated financial statements.

In 2013, IASB amended *IAS 36 Recoverable Amount Disclosures for Non-Financial Assets*. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendments are applicable to annual periods beginning on or after 1 January 2014; accordingly, the Company has adopted this standard for the year ended December 31, 2014. The adoption of this standard had no material impact on the consolidated financial statements.

6. New IFRS Standards and Interpretations not yet Adopted

The following are new standards, interpretations, amendments and improvements to existing standards that were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective for the year ended December 31, 2014, and have not been applied in preparing these consolidated financial statements:

IFRS 15 Revenue from Contracts with Customers was released on May 28, 2014, replacing IAS 11 Construction Contracts, IAS 18 Revenue and several revenue-related interpretations. IFRS 15

establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchasers. Disclosure requirements have also been expanded.

The new standard is effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 15 on the consolidated financial statements

IAS 16 Property Plant and Equipment and IAS 38 Intangible Assets, have been amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption that amortization of an intangible asset based on revenue generated by using the asset is inappropriate. The amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact of adopting these amendments on its consolidated financial statements.

IFRS 9 Financial Instruments was issued by the IASB in July 2014 to replace *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for years beginning on or after January 1, 2018. The Company has yet to evaluate the impact of adopting this new standard.

7. Operating Segments

The Company has four reportable operating segments. These offer different products and services which are managed separately as they require different technologies, marketing and financial management strategies. For each strategic segment, the Company's chief operating decision maker reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Company's reportable segments.

- Software and Data: includes selling, maintaining, and supporting licensed (perpetual and periodic) software exploration products as well as providing a full suite of support data layers.
- Services: includes providing geomatics, processing and land management services.
- Seismic Data: includes providing seismic brokerage and data management services in addition to building, licensing and maintaining the Company's seismic data assets.
- Corporate and Other: includes providing overall strategic direction to the Company through executive management, finance, accounting, marketing, human resources, investor relations, and information technology.

The accounting policies of the segments are the same as those described in Note 4. There are varying levels of integration between Services and Seismic Data reportable segments. This integration includes the provision of geomatics and processing services to the seismic data division. Inter-segment pricing is determined on an arm's length basis. Inter-segment sales and transfers, which are accounted for at market value, are eliminated on consolidation.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment income or loss before tax, as included in the internal management reports that are reviewed by the Company's chief operating decision maker. Segment income or loss before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets and liabilities are those assets and liabilities that are specifically identified with the operations in each reportable segment. Corporate assets primarily include property and equipment. Corporate liabilities primarily include bank indebtedness, shareholder loans and subordinated debt. Corporate expense includes salaries and benefits and general and administrative expenses for the Company's support divisions in addition to finance costs.

As at and for the year December 31, 2014	**Software & Data**	**Services**	**Seismic Data**	**Corporate & Other**	**Total**
Revenue from external customers	**$ 7,733**	**$ 10,948**	**$ 17,439**	**$ -**	**$ 36,120**
Inter-segment revenue	**6**	**312**	**(318)**	**-**	**-**
Reportable segment income (loss) before tax	**38**	**(584)**	**7,535**	**(4,513)**	**2,476**
Finance costs	**355**	**202**	**1,106**	**-**	**1,663**
Depreciation and amortization	**2,191**	**610**	**5,965**	**368**	**9,134**
Share of profit of equity-accounted investees	**-**	**-**	**-**	**168**	**168**
Reportable segment assets	**10,558**	**5,921**	**32,950**	**1,439**	**50,868**
Reportable segment liabilities	**5,724**	**2,434**	**19,908**	**2,364**	**30,430**
Equity-accounted investees	**-**	**-**	**-**	**222**	**222**
Capital expenditures [(1)]	**12**	**31**	**13,004**	**19**	**13,066**
Deferred development costs	**1,550**	**-**	**-**	**-**	**1,550**

As at and for the year December 31, 2013	Software & Data	Services	Seismic Data	Corporate & Other	Total
Revenue from external customers	$ 9,427	$ 10,946	$ 13,606	$ -	$ 33,979
Inter-segment revenue	-	105	(105)	-	-
Reportable segment income (loss) before tax	154	(328)	6,965	(5,464)	1,327
Finance costs (income)	292	137	578	-	1,007
Depreciation and amortization	2,526	614	3,270	479	6,889
Impairment of goodwill and intangibles	-	-	-	-	-
Share of profit of equity-accounted investees	-	-	-	3	3
Other material non-cash items:					
Gain (loss) on sale of intangibles	(1,005)	-	-	-	(1,005)
Gain (loss) on sale of property and equipment	-	-	-	(678)	(678)
Reportable segment assets	11,257	5,300	22,409	1,755	40,721
Reportable segment liabilities	7,180	4,966	9,265	1,455	22,866
Equity-accounted investees	-	-	-	133	133
Capital expenditures [(1)]	66	154	4,792	225	5,237
Deferred development costs	1,824	-	-	-	1,824

(1) Capital expenditures includes the purchase of intangible assets (net of changes in participation surveys in progress), and property and equipment.

Major Customer

One customer represented $3.7 million (10%) of the Company's total revenue for the year ended December 31, 2014. One customer represented $5.1 million (15%) of the Company's total revenue for the year ended December 31, 2013.

8. Equity Accounted Investees

On June 28, 2013, the Company subscribed for 500,000 shares of a newly incorporated entity, CWD Inc. ("CWD") in exchange for $0.2 million in cash and a portion of its data library being transferred to the new entity with a fair value of $0.3 million for a total investment of $0.5 million. Concurrently, two private companies (dealing at arm's length with the Company) subscribed for 1 million shares for $1 million in cash. As a result each company became a 1/3 shareholder of the new entity. Immediately thereafter, the Company granted a software license to the new entity for $1.2 million. The Company recognized $0.8 million of revenue on this transaction after eliminating the Company's share in the new entity. The new entity has granted each shareholder a data licence for $250,000 per annum payable on a monthly basis.

As a result of the non-monetary contribution made by the Company, a loss on disposal of $1 million was recognized for the difference between the net book value and fair value of the assets contributed.

The Company owns 33% of the shares of CWD. The Company's pro-rata share of the net income of CWD for the year ended December 31, 2014 was $162,000 (2013: $2,000) and has been recorded in other loss (income) in the consolidated statements of income and comprehensive income.

The Company also owns 50% of the shares of SDLS Inc. ("SDLS"), a private company. The Company's pro-rata share of the net income of SDLS for the year ended December 31, 2014 was $6,000 (2013: less than $1,000) and has been recorded in other loss (income) in the consolidated statements of income and comprehensive income.

Summarized financial information of the investees is as follows:

	SDLS		CWD		Total	
	Balance at December 31					
	2014	2013	**2014**	2013	**2014**	2013
Total assets	**$ 53**	$ 51	**$ 2,287**	$ 601	**$ 2,340**	$ 652
Total liabilities	**$ 312**	$ 317	**$ 291**	$ 98	**$ 603**	$ 415
Total shareholders' equity	**(259)**	(266)	**1,996**	503	**1,737**	237
Total liabilities and shareholders' equity	**$ 53**	$ 51	**$ 2,287**	$ 601	**$ 2,340**	$ 652
Company's investment	**50%**	50%	**33%**	33%		
Company's portion	**27**	26	**755**	198	**782**	224

	SDLS		CWD		Total	
	Year ended December 31					
	2014	2013	**2014**	2013	**2014**	2013
Revenue	**$ 146**	$ 116	**$ 1,043**	$ 753	**$ 1,189**	$ 869
Net income and comprehensive income	**$ 9**	$ 1	**$ 493**	$ 7	**$ 502**	$ 8
Company's investment	**50%**	50%	**33%**	33%		
Company's equity pickup	**$ 5**	$ 1	**$ 163**	$ 2	**$ 168**	$ 3

	Balance at Dec 31	
	2014	2013
Equity-accounted investees - beginning of year	**$ 133**	$ 137
Company's equity pickup	**168**	3
Investment - cash	**-**	200
Investment - assets (net of deferred revenue)	**-**	251
Advances to equity-accounted investees	**(79)**	(458)
Equity-accounted investees - end of year	**$ 222**	$ 133

9. Property and Equipment

	Computer Hardware and Software	Office Furniture and Equipment	Leasehold Improvements	Assets under Finance Leases	Land [1]	Total
Cost:						
At January 1, 2013	$ 7,943	$ 1,335	$ 7,850	$ 4,129	$ 30	$ 21,287
Additions	93	24	34	257	-	408
Disposals	-	-	(2,593)	-	-	(2,593)
At December 31, 2013	8,036	1,359	5,291	4,386	30	19,102
Additions	48	-	-	250	-	298
At December 31, 2014	**$ 8,084**	**$ 1,359**	**$ 5,291**	**$ 4,636**	**$ 30**	**$ 19,400**
Accumulated depreciation:						
At January 1, 2013	$ 7,361	$ 1,297	$ 4,063	$ 3,959	$ -	$ 16,680
Depreciation	356	12	249	112	-	729
Disposals	-	-	(1,176)	-	-	(1,176)
At December 31, 2013	7,717	1,309	3,136	4,071	-	16,233
Depreciation	261	14	173	168	-	616
At December 31, 2014	**$ 7,978**	**$ 1,323**	**$ 3,309**	**$ 4,239**	**$ -**	**$ 16,849**
Carrying amounts:						
At December 31, 2013	319	50	2,155	315	30	2,869
At December 31, 2014	**106**	**36**	**1,982**	**397**	**30**	**2,551**

[1] Land is not subject to depreciation

The Company's senior lender has a general security agreement over all present and after acquired personal property and a floating charge on all lands of the Company (Note 15). The Company's shareholder loans are secured by way of a registered security interest pursuant to the Personal Property Security Act (Alberta) but are subordinated to the Company's senior debt (Note15).

10. Intangible Assets

	Data Libraries								
	Seismic Data Library	Datasets	Log, Support and Drilling Data Library	Reference Library	Map Library	Sub-Total	Proprietary Software and Code	Deferred Development Costs[1]	Total
Cost									
At January 1, 2013	$ 22,469	$ 632	$ 7,209	$ 445	$ 239	$ 30,994	$ 9,057	$ 15,428	$ 55,479
Additions	3,546	-	-	-	-	3,546	58	1,825	5,429
Disposals	-	(193)	(1,936)	-	(239)	(2,368)	-	-	(2,368)
At December 31, 2013	26,015	439	5,273	445	-	32,172	9,115	17,253	58,540
Additions	8,720	-	-	-	-	8,720	20	1,784	10,524
At December 31, 2014	**$ 34,735**	**$ 439**	**$ 5,273**	**$ 445**	**$ -**	**$ 40,892**	**$ 9,135**	**$ 19,037**	**$ 69,064**
Accumulated depreciation									
At January 1, 2013	$ 9,207	$ 574	$ 3,180	$ 445	$ 135	$ 13,541	$ 6,607	$ 10,663	$ 30,811
Amortization	3,251	10	313	-	8	3,582	565	2,013	6,160
Disposals	-	(145)	(774)	-	(143)	(1,062)	-	-	(1,062)
At December 31, 2013	12,458	439	2,719	445	-	16,061	7,172	12,676	35,909
Amortization	5,952	-	264	-	-	6,216	575	1,727	8,518
At December 31, 2014	**$ 18,410**	**$ 439**	**$ 2,983**	**$ 445**	**$ -**	**$ 22,277**	**$ 7,747**	**$ 14,403**	**$ 44,427**
Carrying amount									
At December 31, 2013	$ 13,557	$ -	$ 2,554	$ -	$ -	$ 16,111	$ 1,943	$ 4,577	$ 22,631
At December 31, 2014	**16,325**	**-**	**2,290**	**-**	**-**	**18,615**	**1,388**	**4,634**	**24,637**

[1] In 2014, the Company expensed $1.6 million (2013 - $2 million) in research costs.

The Company's senior lender has a general security agreement over all present and after acquired personal property and a floating charge on all lands of the Company (Note 15). The Company's shareholder loans are secured by way of a registered security interest pursuant to the Personal Property Security Act (Alberta) but are subordinated to the Company's senior debt (Note 15).

Amortization of intangible assets in the amount of $8.5 million (2013: $6.2 million) has been included in depreciation and amortization in the consolidated statements of income and comprehensive income. Disposal of a net book value of $1.2 million in Log, Support and Drilling Data Library relates to selling of the Company's drilling records to CWD in 2013 (Note 8).

11. Revenue

	Year ended December 31	
	2014	**2013**
Sales of goods	**$ 22,697**	$ 21,153
Rendering of services	**10,948**	10,946
Commissions	**2,475**	1,880
	$ 36,120	$ 33,979

As at December 31, 2014, the Company had deferred revenue of $3.2 million (2013: $2.8 million) which represents the fair value of that portion of consideration received or receivable in respect of sales of software licenses, seismic participation surveys and seismic processing services for which revenue has not yet been earned.

Commissions relate to the rendering of services in which the Company acts as an agent in the transactions rather than as the principal.

12. General and Administrative Expenses by Nature

	Year ended Dec 31	
	2014	**2013**
Occupancy costs	**$ 2,776**	$ 3,464
Communications	**211**	214
Advertising and promotion	**815**	745
Operating leases and office supplies	**1,211**	1,207
Recruitment and training	**188**	282
Consultant and professional fees	**3,661**	2,076
Charges and fees	**166**	136
Bad debt (recovery)	**31**	14
	$ 9,059	$ 8,138

13. Finance costs

	Year ended Dec 31	
	2014	**2013**
Interest expense on debt	**$ 1,358**	$ 846
Amortization of deferred finance charges	**285**	133
Accretion of sublease loss	**20**	28
	$ 1,663	$ 1,007

14. Other loss

		Year ended Dec 31	
	Note	**2014**	**2013**
Foreign exchange loss (gain)		**$ (39)**	$ 3
Loss on diposal of intangible assets	10	**-**	1,005
Impairment of property and equipment	9	**-**	678
Equity investment income	8	**(168)**	(3)
		$ (207)	$ 1,683

15. Current and Long-Term Debt Obligations

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to liquidity risk, see Note 23.

	Balance at December 31	
	2014	**2013**
Current liabilities		
Bridge Loan	**$ 4,500**	$ -
Term Loan	**-**	1,000
Debentures	**847**	541
Shareholder loans	**5,725**	750
Finance lease liabilities	**213**	146
Deferred finance charges	**(91)**	(126)
	$ 11,194	$ 2,311
Non-current liabilities		
Term Loan	**$ -**	$ 1,417
Debentures	**363**	669
Shareholder loans	**-**	3,375
Finance lease liabilities	**194**	199
Deferred finance charges	**-**	(69)
	$ 557	$ 5,591
Total	**$ 11,751**	$ 7,902

			Balance at December 31			
			2014		2013	
	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Bridge Loan	18%	2015	**$ 4,500**	**$ 4,409**	$ -	$ -
Term Loan	Prime + 4.50%	2016 (repaid in 2014)	**-**	**-**	2,417	2,222
Debenture	8%	N/A	**1,210**	**1,210**	1,210	1,210
Shareholder loans	10 to 12%	Due on demand	**5,725**	**5,725**	4,125	4,125
Finance lease obligations	1.8-12.4%	2013-2016	**448**	**407**	385	345
Total interest-bearing liabilities			**$ 11,883**	**$ 11,751**	$ 8,137	$ 7,902

Bridge Loan

On September 30, 2014, the Company entered into a short-term secured bridge loan for $4.5 million, repayable on March 31, 2015. The loan bears interest at 18% per annum and is secured by a general security agreement over all present and after acquired personal property of the Company.

The bridge lender maintains a $405,000 interest reserve sufficient to satisfy all interest costs for the term of loan and a default reserve of $202,500 payable to the lender should the loan not be repaid in full by March 31, 2015. These amounts have been recorded in prepaid expenses in the statement of financial position and the interest reserve is being amortized over the term of loan.

On March 25, 2015, the Company repaid the loan in full with the proceeds from the sale of its land software assets (see Note 27). The entire balance of the default reserve was applied against the loan repayment.

Shareholder Loans

On September 29, 2014, the Company consolidated all prior loans with three directors of the Company who are also shareholders. As at December 31, 2014, the Company owes $5.7 million to the directors. The shareholder loans bear interest at varying rates of 10% and 12% per annum and are secured by way of registered security pursuant to the Personal Property Security Act (Alberta). The shareholder loans are subordinated to the Company's senior bridge lender, are payable on demand and have no maturity date. However, should a specific portion of the shareholder loans extend beyond December 31, 2014, the Directors will have the right to convert this portion of the shareholder loans into an ownership interest in the Company's seismic data library, subject to regulatory approval and provided the Company's bridge loan has been fully repaid. Since the entire amount of the bridge loan was outstanding as at December 31, 2014, no portion of the shareholder loans were converted into an ownership interest in the Company's seismic data library. While the bridge loan was repaid on March 25, 2015, management has not sought regulatory approval for the conversion as management is in discussions with the shareholders to amend the loan agreement to remove the conversion feature.

Debentures

The Company has $1.2 million in subordinated debentures with a royalty interest. Four directors, who are also shareholders of the Company, subscribed for $1 million of the debentures. The debentures bear interest of 8% per annum. Principal payments are calculated at 50% of "net revenues" generated by certain of the Company's seismic data (the "Seismic Data"), multiplied by $1.2 million (debenture proceeds raised) divided by $5 million. The balance of the revenue is retained by the Company. "Net revenues" equal 90% of the "gross revenues" generated by the Seismic Data. The "Seismic Data" is

comprised of the seismic surveys acquired by the Corporation prior to July 1, 2012. As at December 31, 2014, there was $0.8 million in principal payments owing to the debenture holders based on revenues generated by the Seismic Data for the years ended December 31, 2013 and 2014. There was no debenture qualifying revenue generated in 2012. Principal payments were postponed during 2014 due to a requirement under the Company's previous banking facility.

Upon full repayment of the principal amount of the debentures and all accrued interest, the royalty interest becomes effective and will be paid as a royalty indefinitely. Royalty payments are to be calculated at 25% of the "net revenues" generated by the "Seismic Data" multiplied by $1.21 million divided by $5 million. The balance of the revenue is retained by the Company.

The principal amount of the debentures and accrued interest, but not the royalty interest, is secured against the Seismic Data by way of a registered security interest pursuant to the Personal Property Security Act (Alberta) but is subordinated to the Company's senior debt. This security interest ranks pari passu with the shareholder loans.

Finance lease obligations

Equipment under finance lease is computer hardware and office equipment. Finance lease obligations are payable as follows:

	Balance at December 31					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than on year	$ 227	$ 14	$ 213	$ 159	$ 13	$ 146
Between one and five years	221	27	194	226	27	199
Total	$ 448	$ 41	$ 407	$ 385	$ 40	$ 345

Deferred finance charges

	Balance at December 31	
	2014	2013
Opening	195	30
Additions	181	298
Amortization [1]	(285)	(133)
Closing	$ 91	$ 195

[1] Included in finance costs in the consolidated statements of income and comprehensive income

16. Other Liabilities

	Note	Balance at December 31	
		2014	**2013**
Current portion			
Sublease loss provision	21	**$ 336**	$ 336
Tenant inducements	21	**72**	72
		$ 408	$ 408
Long-term portion			
Sublease loss provision	21	**$ 331**	$ 668
Tenant inducements	21	**678**	750
Deferred rent obligations	21	**523**	451
		$ 1,532	$ 1,869
Total		**$ 1,940**	$ 2,277

Sublease loss provision:

Balance, January 1, 2014	**$ 1,004**
Payments towards rent shortfall	**(356)**
Accretion	**19**
Balance, December 31, 2014	**$ 667**

17. Taxes

Reconciliation of effective tax rate

The following is a reconciliation of income taxes, calculated at the statutory Canadian combined federal and provincial tax rate, to the income tax provision included in the consolidated statements of income and comprehensive income:

	Year ended December 31	
	2014	**2013**
Income before income taxes	**$ 2,476**	$ 1,327
Statutory rate	**25.00%**	25.00%
Computed income tax recovery	**$ 619**	$ 332
Effects of differences:		
Non-deductible expenses	**39**	64
Changes in unrecognized temporary differences	**(689)**	(396)
Actual income taxes	**$ (31)**	$ -
Current (recovery)	**(31)**	-
Actual income taxes	**$ (31)**	$ -

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	Balance at December 31	
	2014	**2013**
Non-capital losses	**$ 5,127**	$ 6,500
Share issue and debt financing costs	**71**	80
	$ 5,198	$ 6,580

Deferred tax assets have not been recognized in respect to these items because it is not probable that the future taxable profit will be available against which the Company can utilize the benefits.

As at December 31, 2014, the Company and its Canadian subsidiaries had approximately $34 million in Federal and $20 million in Alberta non-capital loss carry-forwards, a portion of which was assumed through various acquisitions in 2007, which begin to expire in 2027.

Recognized deferred tax assets and liabilities

	Balance at December 31	
	2014	**2013**
Deferred tax liabilities		
Property and equipment and intangibles	**$ (2,029)**	$ (1,110)
Deferred tax assets		
Sublease loss liability	**$ 167**	$ 251
Non-capital loss carry forwards	**1,862**	859
	$ 2,029	$ 1,110
Net deferred tax assets (liabilities)	**$ -**	$ -

Movement in temporary differences during the year

	Balance at Jan 1, 2013	Recognized in net loss	Balance at Dec 31, 2013	Recognized in net income	Balance at Dec 31, 2014
Property and equipment and intangibles	$ (1,162)	$ 52	$ (1,110)	$ (919)	**$ (2,029)**
Sublease loss liability	333	(82)	251	(84)	**167**
Non-capital loss carry forwards	829	30	859	1,003	**1,862**
	$ -	$ -	$ -	$ -	**$ -**

The Company files Scientific Research and Experimental Development (SR&ED) claims with the Canada Revenue Agency ("CRA") in respect of certain research and development expenditures. Although the claims are filed on the basis of the regulations, the claims are subject to review by the CRA. As at December 31, 2014, the Company had $2.2 million of federal investment tax credits, including $2.1 million carried forward from 2013, available to reduce federal income taxes payable in the future which begin to expire in 2028. It is uncertain that the future taxable profit will be available against which the Company can utilize the benefits.

18. Equity Instruments and Net Income per Share

Authorized

Unlimited number of voting Class A shares with no par value.

Issuance of share capital

During the year ended December 31, 2014, 46,267 Class A shares were issued as long term service awards. The fair value of the shares was measured using the closing price on the day before the long service awards were issued. There were no cash proceeds.

During the year ended December 31, 2013, 291,501 Class A shares were issued as long term service awards. The fair value of the shares was measured using the closing price on the day before the long service awards were issued. There were no cash proceeds.

Net income per share

Basic net income per share is computed using the weighted-average number of Class A Shares outstanding during the year ended December 31, 2014 of 67,080,763. In computing diluted net income per share, no shares were added to the weighted average number of Class A Shares outstanding for stock options as they were out of the money.

Basic net income per share is computed using the weighted-average number of Class A Shares outstanding during the year ended December 31, 2013 of 66,893,911. In computing diluted net income per share, 10,701 shares were added to the weighted average number of Class A Shares outstanding for stock options.

19. Share-Based Payment Arrangements

Stock option plan (equity settled)

The Company has a stock option plan whereby options may be granted to directors, officers, employees and consultants. Combined with the Company's other share-based payment arrangements, the option plan allows for the granting of options to purchase Class A Shares to a maximum number equal to 10% of the issued and outstanding Class A Shares of the Company. The exercise price of each stock option granted is based on the market value of the Company's stock on the last trading day prior to the date of grant. The options expire after five years and vest equally over a three-year period commencing on the first anniversary of the date of grant.

The following table summarizes the stock options as at December 31, 2014:

	Number	Weighted Average Exercise Price
Options outstanding, December 31, 2012	4,061	$0.27
Forfeited	(680)	$0.52
Options outstanding, December 31, 2013	3,381	$0.21
Forfeited	**(313)**	**$0.26**
Options outstanding, December 31, 2014	**3,068**	**$0.20**
Options exercisable, December 31, 2014	**2,715**	**$0.20**

No options were granted in 2014 or 2013. When options are granted, the grant date fair value of the stock options granted is measured based using the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility.

Stocks options which were outstanding and vested as at December 31, 2014, are summarized as follows:

Options Outstanding				Exercisable Options	
Number	Price	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Number	Weighted Average Exercise Price
1,910	$0.17	$0.17	1.57	1,910	$0.17
443	$0.21	$0.21	2.39	307	$0.21
650	$0.25	$0.25	2.43	433	$0.25
65	$0.68	$0.68	0.11	65	$0.68
3,068	**$0.17-$0.68**	**$0.20**	**1.84**	**2,715**	**$0.20**

Performance share unit plan (equity settled)

The Company had a performance share unit ("PSU") plan whereby each PSU awarded conditionally entitled the eligible unit holder to the delivery of one Class A Share of the Company upon attainment of the PSUs' non-market performance vesting conditions approved by the Board of Directors. As the Company planned to settle these obligations with Class A Shares of the Company, it had classified these awards as equity in the consolidated statement of financial position. These PSUs vested if the performance conditions for the current fiscal year were met. During 2014 and 2013, no PSUs were granted to officers and employees. The PSU plan was cancelled in 2014.

Employee stock ownership plan (cash settled)

The Company's employee stock ownership plan ("ESOP") allows each employee to contribute up to 25% of their regular salary towards the purchase of Class A Shares. The Company matches the employee's contribution with a cash contribution of up to 4.5% of their monthly regular salary to a maximum of $450 per month. All contributions are used to purchase Class A Shares of the Company through the facilities of the TSX-V. During the year ended December 31, 2014, $146,000 (2013: $176,000) was included in salaries and benefits in the consolidated statements of income and comprehensive income for the value of the Company's cash contributions.

Long-term service awards (equity settled)

The Company issues 5 and 10 year service awards ("Service Awards") to eligible employees in the form of Class A Shares issued from treasury. The value for a 5-year award is $750 and $1,250 for a 10-year award. The number of Class A Shares issued is based on the closing price on the last trading day prior to the issuance of the Service Award. Service Awards are issued at the end of the month in which the employee has their 5 or 10 year anniversary. During the year ended December 31, 2014, $4,000 (2013: $50,000) was included in salaries and benefits in the consolidated statements of income and comprehensive income for the value of awards issued based on the share price on the date of issuance.

20. Statement of Cash Flows

	Year ended Dec 31	
	2014	**2013**
Changes in non-cash working capital balances		
Funds held in trust	**$ -**	$ 18
Accounts receivable	**(260)**	(2,002)
Prepaid expenses, supplies and deposits	**(361)**	57
Accounts payable and accrued liabilities	**6,633**	(2,689)
Deferred revenue	**415**	336
	$ 6,427	$ (4,280)
Changes in non-cash working capital balances related to operating activities	**$ (1,902)**	$ (1,938)
Changes in non-cash working capital balances related to investing activities	**8,329**	(2,342)
	$ 6,427	$ (4,280)

21. Operating Leases, Tenant Inducements, Sublease Loss Provision and Deferred Rent Obligations

Operating Leases

Summary of non-cancellable building lease commitments (net of subleases) until expiry:

	Balance at December 31	
	2014	2013
Less than one year	**$ 2,828**	$ 2,724
Between one and five years	**11,245**	14,026
More than five years	**17,981**	17,414
	$ 32,054	$ 34,164

Movement in the commitments for 2014:

Balance, January 1, 2014	**$ 34,164**
Payments (net of subleases)	**(2,792)**
Early termination of subleases	**1,161**
New subleases	**(670)**
Operating cost adjustments	**191**
Balance, December 31, 2014	**$ 32,054**

The Company's main office lease has a term of 15 years expiring in 2025. Excluding subleases, the commitment is approximately $178,000 per month (including operating costs and property taxes) up to May 2015 and $183,000 per month for the remainder of 2015. The annual square foot rate increases in 2015, 2018, 2020 and 2023. The lease includes a monthly commitment of $30,000 until November 2016 related to a portion of the lease the Company surrendered in 2011. A portion of the current space is subleased on a month-to-month basis. Sublease payments totalling $161,000 are expected to be received in 2015. The Company also leases approximately 15,000 square feet of office space in another location with the lease expiring in 2025. The monthly commitment is approximately $65,000 including operating costs and property taxes for 2015.

Tenant Inducements

Tenant inducements are amortized over the term of lease as a reduction to occupancy costs (included in operating expenses in the consolidated statement of income and comprehensive income). In 2014, $72,000 (2013: $74,000) of the tenant inducements was amortized. In 2013, an impairment charge of $0.7 million was recognized as the Company surrendered a portion of its office lease. Unamortized tenant inducements were $0.8 million as at December 31, 2014 (2013:$0.8 million).

Sublease Loss Provision

The Company pays $30,000 per month until November 2016 related to office space it surrendered to its landlord in 2011. Accretion on the sublease loss provision is included in finance costs in the consolidated statements of income and comprehensive income.

Deferred Rent Obligations

The Company records its occupancy costs on a straight line basis over the term of the lease. The difference between rent paid and rent expense is recorded as deferred rent obligations on the statement of financial position.

22. Related Parties

Transactions with key management personnel

Loans from directors

As at December 31, 2014, the Company had $5.7 million in secured loans from three directors who are also shareholders and $1 million of the debentures was subscribed for by three directors who are also shareholders (see Note 15). The proceeds were used for capital expenditures.

The above was transacted on terms equivalent to those that prevail in arm's length transactions.

Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to directors and executive officers. Executive officers also participate in the Company's stock option plan and ESOP (descriptions of these plans are provided in Note 19).

All executive officers have employment contracts. Upon resignation at the Company's request, they are entitled to termination benefits of up to 18 months' gross salary.

Key management personnel compensation comprised the following:

	Year ended December 31	
	2014	**2013**
Salaries, benefits and annual non-equity incentives	**$ 1,076**	$ 1,200
Termination benefits	**-**	-
Share-based payments	**-**	-
	$ 1,076	$ 1,200

Key management personnel and director transactions

Directors and officers of the Company control approximately 39% percent of the voting shares of the Company. A director controls 13% and the CEO, also a director, controls 13%.

A number of key management personnel including Board members, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction value for the year ended December 31		**Balance due from (to) the related party as at December 31**	
Related Party	**Transaction**	**2014**	**2013**	**2014**	**2013**
Director	Consulting fees and commissions[1]	**$ 184**	$ 184	**$ (365)**	$ (182)
CWD Inc.	Software and data licenses net of expense reimbursements [2]	**70**	676	**(239)**	(106)

(1) The Company pays seismic consulting fees to a company controlled by a director for the purposes of acquiring seismic data. The Company also pays this company commissions for providing seismic brokerage services. The contract terms were made on terms equivalent to those that prevail in arm's length transactions.
(2) The Company pays the affiliate for access to well data and charges the affiliate for certain corporate support services. The contract terms were made on terms equivalent to those that prevail in arm's length transactions.

23. Financial Risk Management

OVERVIEW

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in connection with the collection of its revenues and on the cash received. The Company controls its credit risk by assessing each customer's creditworthiness prior to transacting, subsequently monitoring and making efforts to collect its outstanding accounts receivable and investing cash balances in chartered Canadian banks.

The Company's business is tied primarily to the oil and gas exploration and production industry. The demand and price for services and products offered by the Company depends on the activity levels for oil and gas producers, which are determined by commodity prices, supply and demand for oil and natural gas, access to credit and capital markets, and to a lesser extent, government regulation (including regulation of environmental matters and material changes in taxation policies).

The Company has a wide customer base in the energy sector ranging from large multinational public entities to small private companies. As at December 31, 2014, 13% (2013: 50%) of the Company's

consolidated accounts receivables were due from one customer (2013: three customers) with an outstanding individual balances of greater than $1 million. These receivables have been collected. This concentration risk is mitigated primarily by a portion of the customers being large, investment grade organizations. The carrying amount of accounts receivable and cash represents the maximum credit exposure.

The Company reviews its accounts receivable amounts regularly and amounts are written down to their expected realizable value when outstanding amounts are determined not to be fully collectable. In those cases the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance has two components:

(a) provision for amounts that have been individually determined not to be collectible in full when the customer has indicated an inability to pay, the Company is unable to communicate with the customer over an extended period of time, and other methods to obtain payment have been considered and have not been successful. While the Company normally relies on in-house collection efforts, there are occasions where legal action is required to collect an overdue account; and

(b) collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets resulting in the Company recording an allowance for doubtful accounts equal to 20% of balances that are more than 120 days old.

The Company considers its accounts receivable excluding doubtful accounts to be aged as follows:

	Balance at December 31			
	2014		**2013**	
	Gross	**Impaired**	**Gross**	**Impaired**
Not past due (less than 30 days old)	**$ 5,271**	**$ -**	$ 5,075	$ -
30 to 60 days old	**1,543**	**-**	3,231	-
60 to 90 days old	**593**	**-**	266	-
90 to 120 days old	**457**	**-**	163	-
More than 120 days old	**87**	**39**	318	37
Trade receivables	**7,951**	**39**	9,053	37
Non-trade receivables and accrued revenue	**1,484**	**-**	120	-
Accounts receivable not impaired	**9,435**	**39**	9,173	37
Accounts receivable net of impairment	**$ 9,396**		$ 9,136	

Apart from the allowance the Company recognizes for accounts that are more than 120 days old, the Company believes that the unimpaired amounts that are more than 120 days old are still collectible, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' ratings, when available.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Balance at December 31	
	2014	**2013**
Balance, beginning of year	**$ 37**	$ 116
Amounts collected	**(27)**	(163)
Impairment loss recognized and amounts written off	**29**	84
Balance, end of year	**$ 39**	$ 37

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions.

The Company had net income of $2.5 million for the year ended December 31, 2014 and as at December 31, 2014 had a working capital deficiency of $10.7 million, excluding deferred revenue of $3.2 million. In addition, it has future operating lease commitments of $2.8 million for 2015 (see Note 21).

On September 30, 2014, the Company entered into a short-term bridge loan to fully repay all bank indebtedness (see Note 15). On March 25, 2015, the Company repaid the loan in full with the proceeds from the sale of its land software assets (see Note 27).

Management is currently in discussions with a number of interested parties with the intention of selling additional non-strategic assets. All discussions are preliminary and there is no assurance that any transaction will proceed.

The Company expects to settle its liabilities in the near term by using funds from operations, closing additional asset dispositions and obtaining a conventional credit facility. The outcome of these events cannot be predicted at this time.

The tables below summarize the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including estimated interest payments:

As at December 31, 2014	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Accounts payable and accrued liabilities	13,568	13,568	13,568	-	-	-	-	13,568
Deferred rent obligations	523	523	-	-	-	-	523	523
Long-term debt obligations (excluding finance lease obligations)	11,344	11,435	10,225	847	-	-	363	11,435
Finance lease obligations	407	448	114	114	140	80	-	448
Loss on sublease	667	682	178	178	326	-	-	682
Total	$ 26,509	$ 26,656	$ 24,085	$ 1,139	$ 466	$ 80	$ 886	$ 26,656

As at December 31, 2013	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Bank Indebtedness	$ 2,996	$ 2,996	$ 2,996	$ -	$ -	$ -	$ -	$ 2,996
Accounts payable and accrued liabilities	6,935	6,935	6,935	-	-	-	-	6,935
Deferred rent obligations	451	451	-	-	-	-	451	451
Long-term debt obligations (excluding finance lease obligations)	7,557	9,219	661	1,576	2,297	1,968	2,717	9,219
Finance lease obligations	345	385	73	73	164	75	-	385
Loss on sublease	1,004	1,038	168	168	376	326	-	1,038
Total	$ 19,288	$ 21,024	$ 10,833	$ 1,817	$ 2,837	$ 2,369	$ 3,168	$ 21,024

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As at December 31, 2014, the Company's interest rate risk exposure is mainly related to term debt and is not subject to changes in market interest rates.

DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Accounts receivables

The fair value of accounts receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. As at December 31, 2014, the fair value of accounts receivable approximated their carrying value due to their short term maturity.

Share-based payment transactions

The fair value of the stock options is measured using the Black-Scholes option pricing model. Measurement inputs include the share price on measurement date, the exercise price of the option, the expected volatility (based on weighted average historic volatility, the weighted average expected life of the instruments, the expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions are not taken into account in determining fair value.

24. Capital Management

The Board of Directors' policy is to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk levels and manage capital in a manner which balances the interests of equity and debt holders. Management monitors capital using a funded debt to equity ratio. The ratio is calculated by taking the sum of interest-bearing long-term debt obligations and bank indebtedness (current and long-term portions) divided by shareholders' equity which consists of equity instruments, retained earnings and contributed surplus.

In managing the capital structure, the Board of Directors, along with management, make adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue equity, issue new debt, and issue new debt to replace existing debt with different characteristics.

The Company's funded debt to equity at the reporting date was as follows:

	Balance at December 31	
	2014	**2013**
Components of funded debt to equity ratio:		
Bank indebtedness	**$ -**	$ 2,996
Current portion of long-term debt obligations	**11,194**	2,311
Long-term debt obligations	**557**	5,591
Total funded debt	**11,751**	10,898
Shareholders' equity	**$ 20,438**	$ 17,855
Funded debt to equity ratio	**0.57**	0.61

The Company's strategy is to maintain a funded debt to equity ratio of less than 1:1. Consistent with the year ended December 31, 2013, the strategy of the Board of Directors and management is to operate the Company with the lowest possible debt load in reaction to unstable economic conditions. This is to ensure adequate financial flexibility to meet the financial obligations, both current and long-term and as part of Company's effort to maintain a healthy statement of financial position. The Company is not subject to any externally imposed capital requirements.

25. Contingencies

The Company is party to various legal actions arising in the normal course of business. Matters that are probable of an unfavorable outcome to the Company and that can be reasonably estimated are accrued. The Company's estimates of the outcomes of such matters are based on information known and its experience in contesting, litigating and settling similar matters. None of the actions are believed by management to involve future amounts that would be material to the Company's financial position or results of operations after consideration of recorded accruals. However, actual amounts could differ materially from management's estimate. Claims made by the Company that are probable of a favourable outcome are not accrued until the realization of income is virtually certain.

The computation of income tax is subject to review and audit by regulatory authorities. The Company has determined its provision for such items in accordance with applicable legislation and regulation and in accordance with IFRS. No amounts have been recorded for potential adjustments resulting from audit or re-assessment by regulatory authorities.

26. Subsidiaries

	Country of incorporation	Ownership interest (%)	
		2014	**2013**
Cavalier Land Ltd.	Canada	**100**	100
Agadir Resources Inc.	Canada	**100**	100
Canadian Landmasters Resource Services Ltd.	Canada	**100**	100
Divestco Seismic Management GP Ltd.	Canada	**100**	100
Divestco Seismic Management Limited Partnership	Canada	**99.99**	99.99

27. Subsequent Event

On March 25, 2015, the Company sold its Land Software assets for proceeds of $6.4 million and will recognize an accounting gain of approximately $5.6 million for the three months ended March 31, 2015. The disposed assets were reported under its Software and Data segment. All accounts receivable, liabilities and other working capital associated with the assets prior to the disposition were retained by the Company.

A portion of the total proceeds from the above disposition were used to fully repay the bridge loan in the amount of $4.5 million. The loan was due on March 31, 2015 (see Note 15). The Company will use the remaining proceeds for working capital purposes.