



## **PRESS RELEASE**

### **DIVESTCO REPORTS 19<sup>th</sup> CONSECUTIVE PROFITABLE QUARTER**

August 13, 2008, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) is pleased to announce its operating results for the three and six months ended June 30, 2008. During the second quarter, our slowest quarter, Divestco generated revenue of \$26.2 million, a decrease of \$1.3 million (5%) from \$27.5 million for the same period in 2007. Earnings before interest, taxes and amortization (EBITDA) were \$12.9 million, a \$1.2 million (8%) decrease over the same period in 2007. The Company generated funds from operations of \$13.5 million (\$0.31 per share – diluted) for the second quarter, a decrease of \$0.3 million (9%) as compared to \$13.8 million (\$0.33 per share – diluted) for the same period in 2007.

Divestco generated revenue of \$56.2 million for the first six months of 2008, an increase of \$1.9 million (4%) from \$54.3 million for the same period in 2007. Earnings before interest, taxes and amortization (“EBITDA”) were \$29.2 million, a \$2.4 million (9%) increase over the same period in 2007. From a Cash EBITDA perspective the Company generated \$16.1 million, a \$0.3 million (2%) increase over the same period in 2007. The Company generated funds from operations of \$27.6 million for the first six months, an increase of \$8.2 million (42%) as compared to \$19.4 million for the same period in 2007.

Divestco earned \$0.3 million in net income for the second quarter of 2008 compared to \$4.2 million in 2007 (1 cent per share – basic and diluted). This compares to 11 cents per share – basic (10 cents per share – diluted) for the same period in 2007.

The Company earned \$3.4 million in net income for the first six months of 2008 (8 cents per share – diluted) compared to \$8.2 million (21 cents per share – diluted) in 2007, a 59% decrease over the same period last year.

Despite the prolonged slowdown in the service industry, Divestco is pleased with its results. Recent increases in natural gas prices have led our customers to expand their capital budgets, and we believe this will translate into an increase in demand for our services and data as Divestco has many of its assets strategically located in areas where oil and gas investments must be made. Increased activity levels and record land sale prices in northeast B.C. should translate into an increase in future revenues for Divestco. The Company’s assets provide excellent exposure to some of the largest resource plays in western Canada, including approximately 12,000 kilometers of 2D data and 8,000 square kilometers of 3D data over the prospective Montney depositional fairway, and approximately 3,800 kilometers of 2D data and 1,000 square kilometers of 3D data over the Horn River Basin.

In terms of aggregate data library (inventory) sales, Divestco generated \$9.2 million in sales for the second quarter of 2008. This represents a decrease of \$4.6 million (33%) compared to \$13.8 million of aggregate library sales for the same period in 2007. Seismic participation revenue for the second quarter of 2008 was \$6.2 million compared to \$2.9 million in 2007, an increase of \$3.3 million (115%).

For the six months ended June 30, 2008, the Company generated data library sales totaling approximately \$21.1 million. This represents an increase of \$0.3 million (1%) compared to \$20.8 million of aggregate library sales for the same period in 2007. Seismic participation revenue for the six months ended June 30, 2008 was \$13.1 million compared to \$11 million in 2007, an increase of \$2.1 million (19%).

Excluding the current portion of deferred revenue of \$5.3 million (December 31, 2007 – \$4.4 million), Divestco exited the quarter with a \$24.6 million working capital deficiency compared to a \$28.1 million deficiency at the end of 2007. Divestco is focused on strengthening its balance sheet and expects to continue to rectify its working capital shortfall in the second half of fiscal 2008.

### **Q2 Operational Highlights**

- Divestco increased its seismic dataset with the acquisition of two additional field surveys comprised of approximately 190 square kilometers of 3D seismic at a cost of approximately \$10.8 million (excluding intercompany charges). This data is strategic in nature and compliments our existing seismic datasets in northeast B.C.
- Divestco acquired an additional 146 gross square kilometres of 3D legacy seismic data for approximately \$1.6 million.

Mr. Stephen Popadynetz, CEO of Divestco commented: “I am pleased to report our 2008 second quarter results to our Shareholders, Board and Employees. With stabilized natural gas prices on the horizon and an ever increasing pipeline of opportunities, we are looking forward to improved economic conditions and stronger results for the second half of the fiscal year.”

## Non-GAAP Measures

Divestco uses EBITDA and operating income as key measures to evaluate the performance of segments, divisions and the Company, with the closest GAAP measure being net income. EBITDA and operating income are measures commonly reported and widely used by investors as indicators of the Company's operating performance and ability to incur and service debt, and as a valuation metric. The Company believes EBITDA and operating income assists investors in comparing the Company's performance on a consistent basis without regard to financing decisions, and depreciation and amortization, which are non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors such as historical cost.

EBITDA and operating income are not calculations based on Canadian GAAP and should not be considered alternatives to net income in measuring the Company's performance; nor should they be used as exclusive measures of cash flow, because they do not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the Consolidated Statements of Cash Flows. Investors should carefully consider the specific items included in Divestco's computation of EBITDA and operating income. While EBITDA and operating income have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, investors should be cautioned that EBITDA and operating income as reported by Divestco may not be comparable in all instances to EBITDA and operating income as reported by other companies.

Cash EBITDA is not a calculation based on Canadian GAAP and this measure may not be comparable to similar measures presented by other issuers. Accordingly, this measure has been represented in this press release to provide readers with additional information regarding the Company's financial position, results, liquidity, and its ability to generate future cash flows excluding revenue generated from seismic participation (multi-client) surveys. Cash EBITDA is defined as EBITDA less seismic participation (multi-client) revenue.

EBITDA and Cash EBITDA are calculated as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(Thousands)	2008	2007	2008	2007
<b>Net Income</b>	\$ 281	\$ 4,166	\$ 3,395	\$ 8,237
Income Tax Expense	32	2,088	1,740	4,142
Other Income (Loss) <sup>(1)</sup>	(3)	(29)	12	(48)
<b>Operating Income</b>	\$ 316	\$ 6,283	\$ 5,123	\$ 12,427
Interest	1,249	1,139	2,533	1,428
Depreciation and Amortization	11,314	6,631	21,571	12,948
<b>EBITDA</b>	\$ 12,879	\$ 14,053	\$ 29,227	\$ 26,803
Less: seismic participation revenue	\$ (6,236)	\$ (2,898)	\$ (13,088)	\$ (10,997)
<b>Cash EBITDA</b>	\$ 6,643	\$ 11,155	\$ 16,139	\$ 15,806

On a trailing twelve-month basis exiting the second quarter 2008, the company generated \$39.9 million in Cash EBITDA, an \$11.4 million (40%) increase from the \$28.5 million generated exiting the same quarter in 2007.

Divestco reports funds from operations because it is a key measure used by management to evaluate its performance and to assess the ability of the Company to finance operating activities and capital expenditures. Funds from operations excludes certain working capital changes and other sources and uses of cash, which are disclosed in the Consolidated Statements of Cash Flows.

Funds from operations is not a calculation based on Canadian GAAP and should not be considered an alternative to the Consolidated Statements of Cash Flows. Funds from operations is a measure that can be used to gauge Divestco's capacity to generate discretionary cash flow. Investors should be cautioned that funds from operations as reported by Divestco may not be comparable in all instances to funds from operations as reported by other companies. While the closest GAAP measure is cash flows from operating activities, funds from operations is considered relevant because it provides an indication of how much cash generated by operations is available before proceeds from divested assets and changes in certain working capital items.

Funds from operations is calculated as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(Thousands)	2008	2007	2008	2007
<b>Cash Flows from Operating Activities</b>	\$ 18,110	\$ 7,423	\$ 25,402	\$ 14,993
Changes in Non-Cash Working Capital Balances	(4,688)	6,454	1,729	4,628
Decrease in Non-Current Deferred Revenue	83	39	440	95
Decrease in Long-Term Accounts Receivable	-	(140)	-	(280)
<b>Funds from Operations</b>	\$ 13,505	\$ 13,776	\$ 27,571	\$ 19,436

## Financial Highlights

Financial Results (Thousands, Except Per Share Amounts)						
	Three Months Ended June 30			Six Months Ended June 30		
	2008	2007	% Change	2008	2007	% Change
Revenues	\$ 26,175	\$ 27,529	-5%	\$ 56,229	\$ 54,322	4%
Operating Expenses	13,296	13,476	-1%	27,002	27,519	-2%
EBITDA	12,879	14,053	-8%	29,227	26,803	9%
Interest	1,249	1,139	10%	2,533	1,428	77%
Depreciation and Amortization	11,314	6,631	71%	21,571	12,948	67%
Operating Income	316	6,283	-95%	5,123	12,427	-59%
Other Income (Loss)	(3)	(29)	N/A	12	(48)	N/A
Income Tax Expense	32	2,088	-98%	1,740	4,142	-58%
Net Income	\$ 281	\$ 4,166	-93%	\$ 3,395	\$ 8,237	-59%
Per Share - Basic	0.01	0.11	-91%	0.08	0.22	-64%
Per Share - Diluted	0.01	0.10	-90%	0.08	0.21	-62%
Funds from Operations	\$ 13,505	\$ 13,776	-2%	\$ 27,571	\$ 19,436	42%
Per Share - Basic	0.32	0.35	-9%	0.66	0.52	27%
Per Share - Diluted	0.31	0.33	-6%	0.63	0.49	29%
Shares Outstanding	41,846	40,959	2%	41,846	40,959	2%
Weighted Average Shares Outstanding						
Basic	41,808	38,906	7%	41,700	37,082	12%
Diluted	43,979	41,646	6%	43,883	39,875	10%
Cash EBITDA	\$ 6,643	\$ 11,155	-40%	\$ 16,139	\$ 15,806	2%

## Segment Review Summary

For the three months ended June 30, 2008 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,916	\$ 5,895	\$ 15,424	\$ 2,940	\$ -	\$ 26,175
EBITDA	677	1,046	13,494	(229)	(2,109)	12,879
Interest (Net of Interest Revenue)	-	-	(11)	(7)	1,267	1,249
Depreciation and Amortization	437	616	9,771	325	165	11,314
Operating Income (Loss)	240	430	3,734	(547)	(3,541)	316

For the three months ended June 30, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,952	\$ 5,851	\$ 16,696	\$ 3,030	\$ -	\$ 27,529
EBITDA	866	467	14,574	248	(2,102)	14,053
Interest (Net of Interest Revenue)	3	-	210	(12)	938	1,139
Depreciation and Amortization	344	744	5,170	325	48	6,631
Operating Income (Loss)	519	(277)	9,194	(65)	(3,088)	6,283

For the six months ended June 30, 2008 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 4,145	\$ 11,520	\$ 34,172	\$ 6,392	\$ -	\$ 56,229
EBITDA	1,485	1,773	30,069	(44)	(4,056)	29,227
Interest (Net of Interest Revenue)	-	-	(11)	(14)	2,558	2,533
Depreciation and Amortization	857	1,210	18,607	681	216	21,571
Operating Income (Loss)	628	563	11,473	(711)	(6,830)	5,123

For the six months ended June 30, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 3,780	\$ 11,998	\$ 31,826	\$ 6,718	\$ -	\$ 54,322
EBITDA	1,459	1,650	27,827	756	(4,889)	26,803
Interest (Net of Interest Revenue)	3	-	255	(20)	1,190	1,428
Depreciation and Amortization	728	1,136	10,355	640	89	12,948
Operating Income (Loss)	728	514	17,217	136	(6,168)	12,427

Divestco Inc.  
Consolidated Balance Sheets

<b>As at</b>	<b>Jun 30, 2008</b>	<b>Dec 31, 2007</b>
<b>(Thousands)</b>	<b>(Unaudited)</b>	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,129	\$ 2,466
Funds held in trust	-	678
Accounts receivable	22,100	27,083
Prepaid expenses, supplies and deposits	1,905	1,794
	<b>28,449</b>	<b>32,021</b>
<b>Investment in affiliated company</b>	71	72
<b>Data libraries</b>	166,770	161,354
<b>Participation surveys in progress</b>	1,381	1,047
<b>Property and equipment</b>	5,764	5,981
<b>Deferred finance costs</b>	-	-
<b>Intangible assets</b>	18,120	20,208
<b>Goodwill</b>	10,090	10,090
	<b>\$ 236,086</b>	<b>\$ 235,509</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable and accrued liabilities	\$ 37,605	\$ 39,391
Income taxes payable	1,591	7,286
Current portion of deferred revenue	5,339	4,351
Current portion of long-term debt obligations	6,010	5,889
Convertible debentures	7,865	7,533
	<b>58,410</b>	<b>64,450</b>
<b>Deferred revenue</b>	90	530
<b>Long-term debt obligations</b>	39,629	38,400
<b>Future income taxes</b>	14,619	13,406
	<b>112,748</b>	<b>116,786</b>
<b>Shareholders' Equity</b>		
Equity instruments	69,624	68,690
Contributed surplus	3,946	3,661
Equity portion of convertible debentures	609	609
Retained earnings	49,158	45,763
	<b>123,337</b>	<b>118,723</b>
	<b>\$ 236,085</b>	<b>\$ 235,509</b>

## Divestco Inc.

## Consolidated Statements of Income, Comprehensive Income and Retained Earnings

	For the three months ended June 30		For the six months ended June 30	
	2008	2007	2008	2007
<b>(Thousands, except per share amounts - Unaudited)</b>				
<b>Revenue</b>	<b>\$ 26,175</b>	\$ 27,529	<b>\$ 56,229</b>	\$ 54,322
<b>Operating expenses</b>				
Salaries and benefits	8,873	8,732	18,192	18,304
General and administrative	4,114	4,363	8,242	8,456
Stock compensation expense	309	381	568	759
	<b>13,296</b>	13,476	<b>27,002</b>	27,519
<b>Interest expense</b>	<b>1,249</b>	1,139	<b>2,533</b>	1,428
<b>Depreciation and amortization</b>	<b>11,314</b>	6,631	<b>21,571</b>	12,948
<b>Other income (loss)</b>	<b>(3)</b>	(29)	<b>12</b>	(48)
<b>Income before income taxes</b>	<b>313</b>	6,254	<b>5,135</b>	12,379
<b>Income taxes</b>				
Current (recovery)	(1,023)	284	527	7,479
Future (reduction)	1,055	1,804	1,213	(3,337)
	<b>32</b>	2,088	<b>1,740</b>	4,142
<b>Net income and comprehensive income for the period</b>	<b>281</b>	4,166	<b>3,395</b>	8,237
Retained earnings, beginning of period	<b>48,877</b>	32,446	<b>45,763</b>	28,375
<b>Retained earnings, end of period</b>	<b>\$ 49,159</b>	\$ 36,612	<b>\$ 49,158</b>	\$ 36,612
<b>Earnings per share</b>				
Basic	<b>\$ 0.01</b>	\$ 0.11	<b>\$ 0.08</b>	\$ 0.22
Diluted	<b>\$ 0.01</b>	\$ 0.10	<b>\$ 0.08</b>	\$ 0.21
<b>Weighted average number of shares</b>				
Basic	<b>41,808</b>	38,906	<b>41,700</b>	37,082
Diluted	<b>43,979</b>	41,646	<b>43,883</b>	39,875



Divestco Inc.  
Consolidated Statements of Cash Flows

	For the three months ended June 30		For the six months ended June 30	
(Thousands-Unaudited)	2008	2007	2008	2007
<b>Cash flows from operating activities</b>				
Net income for the period	\$ 281	\$ 4,166	\$ 3,395	\$ 8,237
Items not affecting cash:				
Equity investment loss	3	4	1	7
Depreciation and amortization of data libraries, property and equipment and intangible assets	11,063	6,480	21,075	12,573
Amortization of deferred development costs	251	151	496	375
Amortization of deferred finance costs	92	375	189	397
Accretion of liability portion of convertible debentures	166	-	332	-
Future income taxes (reduction)	1,055	1,804	1,213	(3,337)
Unrealized foreign exchange loss	-	80	-	90
Non-cash retention bonus	285	335	302	335
Stock compensation expense	309	381	568	759
	<b>13,505</b>	<b>13,776</b>	<b>27,571</b>	<b>19,436</b>
Changes in non-cash working capital balances	4,688	(6,454)	(1,729)	(4,628)
Decrease in non-current deferred revenue	(83)	(39)	(440)	(95)
Decrease in long-term accounts receivable	-	140	-	280
	<b>18,110</b>	<b>7,423</b>	<b>25,402</b>	<b>14,993</b>
<b>Cash flows from (used in) financing activities</b>				
Bank indebtedness	-	(9,395)	-	(6,451)
Advances to affiliated company	-	-	-	(8)
Issue of common shares, net of related expenses	116	595	349	1,213
Repayment of long-term debt obligations	(1,940)	(10,809)	(3,138)	(11,494)
Deferred financing costs	-	(1,340)	-	(1,340)
Proceeds received from long-term debt obligations	1,810	42,235	3,881	42,235
	<b>(14)</b>	<b>21,286</b>	<b>1,092</b>	<b>24,155</b>
<b>Cash flows from (used in) investing activities</b>				
Purchase of data libraries	(12,521)	(23,177)	(23,487)	(33,334)
Increase in participation surveys in progress	6,013	7,080	(334)	2,248
Purchase of property and equipment	(163)	(647)	(286)	(1,003)
Acquisitions (Note 3)	-	(3,852)	-	(3,852)
Proceeds on sale of property and equipment	-	-	5	-
Deferred development costs	(780)	(652)	(1,200)	(1,276)
Changes in non-cash working capital balances	(9,205)	(6,813)	471	(1,677)
	<b>(16,656)</b>	<b>(28,061)</b>	<b>(24,831)</b>	<b>(38,894)</b>
<b>Foreign exchange loss on cash held in a foreign currency</b>	-	(78)	-	(89)
<b>Increase in cash and cash equivalents</b>	<b>1,440</b>	<b>570</b>	<b>1,663</b>	<b>165</b>
Cash and cash equivalents, beginning of period	2,689	1,032	2,466	1,437
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,129</b>	<b>\$ 1,602</b>	<b>\$ 4,129</b>	<b>\$ 1,602</b>

Divestco is a growth-oriented company that provides a comprehensive and integrated portfolio of data, software, services and consulting to the oil and gas industry. Through continued commitment to align and bundle products and services to generate value for our customers, Divestco is creating an unparalleled set of integrated solutions and unique benefits for the marketplace. Divestco is headquartered in Calgary, Alberta, Canada and trades on the Toronto Stock Exchange under the symbol "DVT".

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*The TSX has not reviewed nor accepts responsibility for the adequacy or accuracy of this news release.*

*Statements in this document that may be considered forward-looking are based on management's current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.*