[2009 THIRD QUARTER REPORT]

>> EXPLORE FORWARD

Integrated, innovative solutions to enable our customers to drive exploration and to deliver shareholder value.

Divestco is an exploration services company that provides a comprehensive and integrated portfolio of software, services, data and consulting to the oil and gas industry.

Through continued commitment to align and bundle products and services to generate value for customers, Divestco is creating an unparalleled set of integrated solutions and unique benefits for the marketplace. Divestco's breadth of software, services, data and consulting solutions offers customers the ability to access and analyze the information required to make business decisions and to optimize their success in the upstream oil and gas industry.

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FINANCIAL HIGHLIGHTS

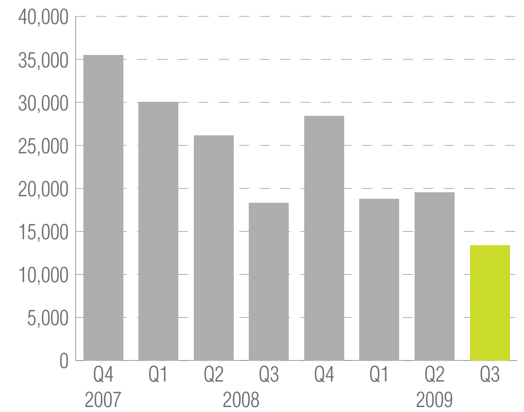
[FINANCIAL RESULTS]

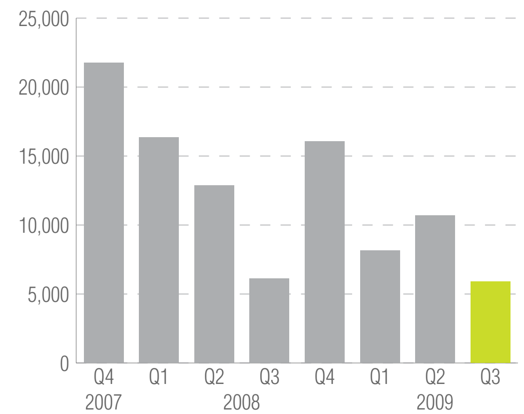
(Thousands, Except Per Share Amounts)

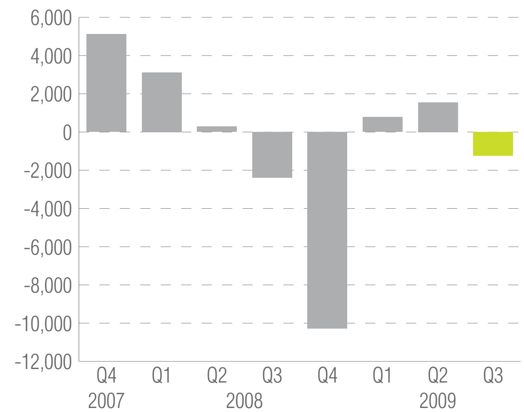
	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$13,411	$18,334	-27%	$51,707	$74,564	-31%
EBITDA(1)	5,903	6,128	-4%	24,738	35,354	-30%
Operating Income (Loss)(1)	(2,740)	(2,016)	n/a	(5,172)	3,106	n/a
Net Income (Loss)	(1,245)	(2,381)	n/a	1.094	1,014	8%
Per Share – Basic	(0.03)	(0.06)	n/a	0.03	0.02	50%
Per Share – Diluted	(0.03)	(0.06)	n/a	0.03	0.02	50%
Funds from Operations(1)	9,984	4,894	104%	24,130	32,464	-26%
Per Share – Basic(1)	0.24	0.12	100%	0.58	0.78	-26%
Per Share – Diluted(1)	0.24	0.12	100%	0.58	0.78	-26%
Shares Outstanding	41,958	41,810	0%	41,958	41,810	0%
Weighted Average Shares Outstanding						
Basic	41,958	41,820	0%	41,958	41,740	1%
Diluted	41,958	41,820	0%	41,958	41,740	1%

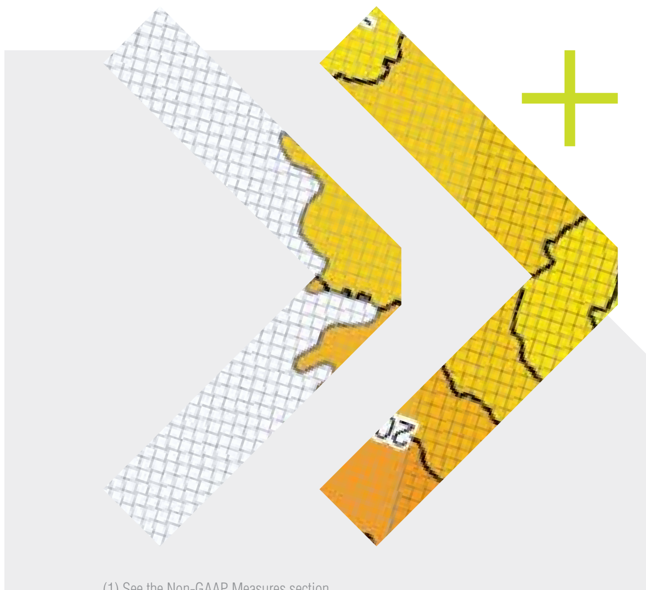
(1) See the Non-GAAP Measures section

Quarterly Comparison







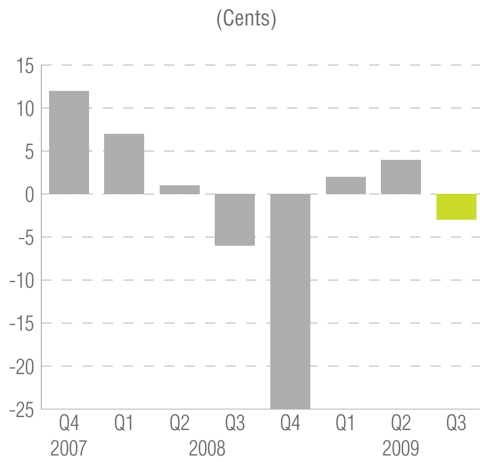


(1) See the Non-GAAP Measures section

Quarterly Comparison (continued)

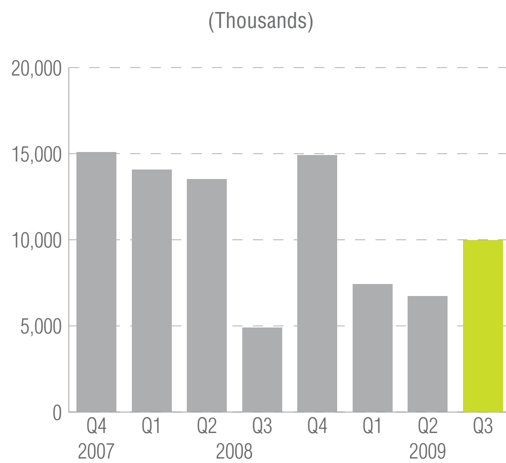
[EARNINGS (LOSS) PER SHARE (BASIC & DILUTED)]

(Cents)



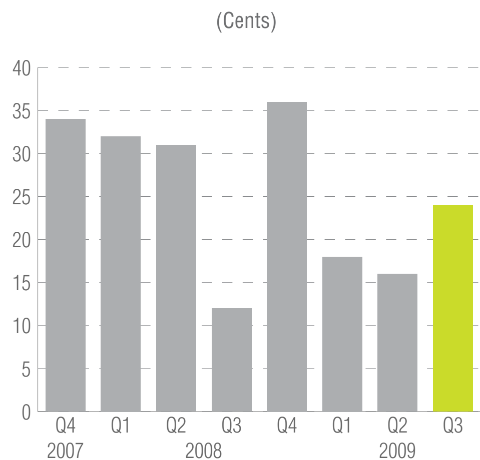
[FUNDS FROM OPERATIONS[1]]

(Thousands)



[FUNDS FROM OPERATIONS PER SHARE (BASIC & DILUTED)[1]]

(Cents)



(1) See the Non-GAAP Measures section

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2009

This Management's Discussion and Analysis (MD&A) for Divestco Inc. ("Divestco" or the "Company"), dated November 6, 2009, should be read in conjunction with the audited consolidated financial statements and notes for the years ended December 31, 2008 and 2007. All financial information in this section has been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and is reported in Canadian dollars unless otherwise specified.

Divestco's Business

Divestco operates under five business segments: Software, Services, Data, Consulting and Corporate.

- Software – provides and is responsible for development, maintenance and support of over 20 geological, geophysical and land applications used by oil and gas professionals, including geologists, geophysicists, engineers, land agents and land administrators worldwide. The Company offers customized software and data bundles to clients depending on their needs.
- Services – offers geomatics (seismic survey audit and custom mapping), seismic processing and database services to customers who require data quality assurance, processing and data management services for geophysical and geological information.
- Data – offers the market over 120 datasets including proprietary seismic data, drilling data and a full suite of exploration and production data (well, land, drilling, log and mapping). Data also provides seismic brokerage and ancillary document management services such as high-quality technical document digitizing and rasterizing and scanning services for customers' data management needs. Divestco has one of western Canada's largest premier seismic databases.
- Consulting – offers business solutions including business consulting services, enterprise resource planning (ERP) and customer relationship management (CRM) systems implementations, custom software development, hardware devices, network infrastructure and land management services.
- Corporate – responsible for setting Divestco's overall strategic plan which includes providing finance, accounting, sales, marketing, human resources (HR) and information technology (IT) services to the Company.

Business Strategy

Divestco is an exploration services company that provides a comprehensive and integrated portfolio of software, services, data and consulting to the oil and gas industry. Through continued commitment to align and bundle products and services to generate value for customers, Divestco is creating an unparalleled set of integrated solutions and unique benefits for the marketplace. Divestco's breadth of software, services, data and consulting solutions offers customers the ability to access and analyze the information required to make business decisions and to optimize their success in the upstream oil and gas industry.

Forward-Looking Information

Divestco's quarterly report contains forward-looking information related to the Company's capital expenditures, projected growth, view and outlook towards future oil and gas prices and market conditions, and demand for its products and services. Statements that contain words such as "could', "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning applicable by Canadian securities legislation. Although management of the Company believes that the expectations reflected in such forward-looking information are reasonable, there can be no assurance that such expectations will prove to have been correct because, should one or more of the risks materialize, or should the assumptions underlying forward-looking statements or forward-looking information prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. Except where required by law, the Company does not assume any obligation to update these forward-looking statements

or forward-looking information if conditions or opinions should change. Readers should not place undue reliance on forward-looking statements or forward-looking information. All of the forward-looking statements and forward-looking information of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements pertaining to the following*:

- Company's ability to reduce debt, improve liquidity, correct its working capital deficiency and maintain profitability in the current economy
- Availability of external and internal funding for future operations
- Relative future competitive position of the Company
- Nature and timing of growth
- Future sales of the Company's seismic data library
- Oil and natural gas production levels
- Planned capital expenditure programs
- Supply and demand for oil and natural gas
- Future demand for products/services
- Commodity prices
- Fluctuations in interest rates
- Impact of Canadian federal and provincial governmental regulation on the Company
- Expected levels of operating costs, general administrative costs, costs of services and other costs and expenses
- Future ability to execute dispositions of assets or businesses
- Expectations regarding the Company's ability to raise capital and to add to seismic data through new seismic shoots and acquisition of existing seismic data
- Treatment under tax laws
- New accounting pronouncements

**These statements are included under the headings of this MD&A: "Overall Performance", "Outlook", and "Results of Operations by Segment", "Liquidity and Capital Resources", and "New Accounting Pronouncements".*

These forward-looking statements are based upon assumptions including: future prices for crude oil and natural gas; future interest rates and future availability of debt and equity financing will be at levels and costs that allow the Company to manage, operate and finance its business and develop its software products and various oil and gas datasets including its seismic data library, and meet its future obligations; the regulatory framework in respect of royalties, taxes and environmental matters applicable to the Company and its customers will not become so onerous on both the Company and its customers as to preclude the Company and its customers from viably managing, operating and financing its business and the development of its software and data; and that the Company will continue to be able to identify, attract and employ qualified staff and obtain the outside expertise as well as specialized and other equipment it requires to manage, operate and finance its business and develop its properties.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including:

- General economic, market and business conditions
- Volatility in market prices for crude oil and natural gas
- Ability of Divestco's clients to explore for, develop and produce oil and gas
- Availability of financing and capital
- Fluctuations in interest rates
- Demand for the Company's product and services
- Weather and climate conditions
- Competitive actions by other companies
- Availability of skilled labour
- Failure to obtain regulatory approvals in a timely manner
- Adverse conditions in the debt and equity markets
- Government actions including changes in environment and other regulations

These risks and uncertainties are discussed in greater detail in the Business Risks and Environment section of this MD&A and in the Company's 2009 Annual Information Form, incorporated here by reference.

Non-GAAP Measures

This MD&A uses the terms "EBITDA" (earnings before interest, income taxes, depreciation and amortization), "operating income", "funds from operations", and "funds from operations per share (basic and diluted)"; however, these terms are not measures that have any standardized meaning prescribed by Canadian GAAP and are considered non-GAAP measures. While these measures may not be comparable to similar measures presented by other issuers, they are described and presented in this MD&A to provide shareholders and potential investors with additional information regarding the Company's results, liquidity, and its ability to generate funds to finance its operations.

EBITDA and Operating Income

Divestco uses EBITDA and operating income as key measures to evaluate the performance of its segments and divisions as well as the Company overall, 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. As well, EBITDA and operating income should not 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. 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. Investors should also carefully consider the specific items included in Divestco's computation of EBITDA and operating income.

The following is a reconciliation of EBITDA and operating income with net income:

(Thousands)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Net Income	$(1,245)	$(2,381)	$ 1,094	$ 1,014
Income Tax Expense (Reduction)	(1,526)	(1,147)	(1,874)	593
Other Income (Loss)[1]	(31)	(1,512)	4,392	(1,499)
Operating Income (Loss)	$(2,740)	$(2,016)	$ (5,172)	$ 3,106
Interest	676	1,252	2,468	3,785
Depreciation and Amortization	7,967	6,892	27,442	28,463
EBITDA	$ 5,903	$ 6,128	$24,738	$35,354

[1] Other income (loss) includes foreign exchange gains or losses, gains or losses on sales of property, plant and equipment/investments, and equity investment income or loss.

Funds from Operations

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 and investing activities. 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. It 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.

The following reconciles funds from operations with cash flows from operating activities:

(Thousands)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Cash Flows from Operating Activities	$3,540	$2,991	$19,281	$28,392
Changes in Non-Cash Working Capital Balances related to operating activities	6,733	1,826	4,875	3,555
Decrease in Non-Current Deferred Revenue	–	77	263	517
Decrease in Long-Term Accounts Receivable	(289)	–	(289)	–
Funds from Operations	$9,984	$4,894	$24,130	$32,464

Business Risks and Environment

Demand for Products and Services

Divestco's business is tied primarily to the oil and gas exploration and production industry. The demand and price for services and products offered by Divestco 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).

Divestco receives a significant portion of its revenue from the licensing of seismic data. Therefore the Company spends a considerable amount of time determining the optimal location to conduct a seismic survey, which includes using its contacts in the oil and gas exploration and production industry. In order to minimize capital risk, the Company routinely pre-sells data licenses in advance of committing to a capital outlay. For larger seismic programs, the Company may rely on third parties to share in the cost and these parties are also susceptible to the risks and uncertainties associated with the oil and gas industry.

Although Divestco does what it considers to be a thorough analysis of the factors that may affect the probability of future sales of its seismic surveys and obtains pre-sale commitments for a majority of these costs, there is no certainty of future demand for these surveys by the oil and gas industry.

Seasonality

Acquisition of seismic data is usually completed in the winter season when the ground is frozen. These conditions are imperative, especially in the northern areas of Alberta and British Columbia where seismic acquisition requires the use of heavy equipment.

Unfavourable weather conditions may cause potential cost overruns and delays in the field data acquisition portion of the seismic data survey, delaying revenue recognition. Revenue is recognized on the date the data is delivered to the client.

Divestco depends on qualified contractors to complete the surveys on time and within budget. To help ensure this, Divestco obtains written cost estimates before a survey begins, and then regularly follows up with the contractor on the progress and costs incurred during the survey.

Other segments of the Company, such as Services, normally exhibit a noticeable reduction in sales from mid-April through to the end of September and a noticeable increase in sales during the fall and winter months when significant drilling and exploration activities are underway in North America. Divestco tries to minimize these fluctuations by performing specific types of contract work appropriate for lower-activity months. The Software segment typically experiences a slowdown during July and August, which is generally a slower period for the oil and gas industry in western Canada.

Competition

The Company operates in a highly competitive, price-sensitive industry. In addition, Divestco competes with some senior companies that generally have access to a larger pool of capital resources and may have significant international presence. Divestco attempts to distinguish itself from its competitors by selling a wide range of oil and gas exploration products and services on either a stand-alone basis or as bundled solutions customized to the customer's needs.

Skilled Labour

Divestco's success depends on attracting and retaining highly skilled management, geophysical, geological, software development, sales, consulting, and other staff. The Company achieves this by offering an attractive compensation package and training. To protect its competitive advantage and intellectual property, Divestco has internal confidentiality policies and obtains non-compete agreements from certain employees.

Government Regulations and Safety

Divestco's seismic operations are subject to a variety of Canadian federal and provincial laws and regulations, including laws and regulations relating to safety and the protection of the environment. In its operations, the Company and its contractors are required to invest financial and managerial resources to comply with such laws and related permit requirements. However, because such laws and regulations are subject to change, it is not feasible for the Company to predict the cost or impact of such laws and regulations on its future operations. As well, the adoption or modification of laws and regulations could lead oil and gas companies to curtail exploration and development, reducing the demand for seismic surveys, which could also adversely affect the Company's seismic operations.

In addition to the "Business Risks and Environment" section in this MD&A, see the "Risk Factors" section in the Company's Annual Information Form (AIF) for the year ended December 31, 2008. A copy of the Company's AIF and other continuous disclosure documents can be viewed at www.sedar.com or on the Company's website at www.divestco.com.

Overall Performance

FINANCIAL RESULTS

(Thousands, Except Per Share Amounts)

	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPT 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$13,411	$18,334	-27%	$51,707	$74,564	-31%
Operating Expenses	7,508	12,206	-38%	26,969	39,210	-31%
EBITDA[1]	5,903	6,128	-4%	24,738	35,354	-30%
Interest	676	1,252	-46%	2,468	3,785	-35%
Depreciation and Amortization	7,967	6,892	16%	27,442	28,463	-4%
Operating Income (Loss)[1]	(2,740)	(2,016)	N/A	(5,172)	3,106	N/A
Other Income (Loss)	(31)	(1,512)	N/A	4,392	(1,499)	-393%
Income Tax Expense (Reduction)	(1,526)	(1,147)	N/A	(1,874)	593	N/A
Net Income (Loss)	$ (1,245)	$ (2,381)	N/A	$ 1,094	$ 1,014	8%
Per Share – Basic	(0.03)	(0.06)	N/A	0.03	0.02	50%
Per Share – Diluted	(0.03)	(0.06)	N/A	0.03	0.02	50%
Funds from Operations[1]	$ 9,984	$ 4,894	104%	$24,130	$32,464	-26%
Per Share – Basic[1]	0.24	0.12	100%	0.58	0.78	-26%
Per Share – Diluted[1]	0.24	0.12	100%	0.58	0.78	-26%
Shares Outstanding	41,958	41,810	0%	41,958	41,810	0%
Weighted Average Shares Outstanding						
Basic	41,958	41,820	0%	41,958	41,740	1%
Diluted	41,958	41,820	0%	41,958	41,740	1%

FINANCIAL POSITION

(Thousands)

	BALANCE AS AT		
	Sep 30, 2009	Dec 31, 2008	Dec 31, 2007
Total Assets	$184,184	$209,735	$235,509
Working Capital Deficit[2]	(6,882)	(9,735)	(28,077)
Long-Term Debt Obligations (Including Current Portion)	35,251	48,085	44,289

[1] See the Non-GAAP Measures section.

[2] Excluding the current portion of deferred revenue of $3.1 million, the Company's working capital deficit was $6.9 million at the end of September 2009, compared to a $9.7 million deficit at the end of 2008, excluding deferred revenue of $11.2 million. The Company remains focused on strengthening its balance sheet and restoring a positive working capital balance.

Earnings Variance Analysis

Q3 2009 Versus Q3 2008

Divestco generated a net loss of $1.2 million (3 cents/share (diluted)) for the third quarter of 2009 compared with a net loss of $2.4 million (6 cent/share (diluted)) in Q3 2008. Operating costs were down significantly from the same period last year and the Company recorded a $1.6 million loss on the sale of its U.S. operations in Q3 2008.

Operating highlights included:

- Reduced working capital deficit by $7.3 million since June 30, 2009
- Reduced long-term debt by $1.5 million since June 30, 2009 and interest expense by $0.7 million compared to Q3 2008
- Operating income in Software increased by 88%
- Lowered operating costs (salaries and G&A expenses) by $4.7 million (38%) in Q3 2009 compared to Q3 2008

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

Divestco generated net income of $1.1 million (3 cents/share (diluted)) for the nine months ended September 30, 2009 compared with net income of $1 million (2 cents/share (diluted)) for the same period in 2008. The global economic recession and restricted capital access continued to result in clients reducing their capital spending, which affected top line revenue across the Company. However the Company's proactive operating expense reductions were a significant factor in bottom line results. In addition a $4.4 million gain was realized on the sale of the Company's Archive and Technical Records divisions in Q1 2009.

Operating highlights included:

- Reduced working capital deficit by $2.9 million since December 31, 2008
- Reduced long-term debt obligations by $13 million (27%) since December 31, 2008
- Lowered operating costs (salaries and G&A expenses) by $12.2 million (31%) compared to the same period in 2008
- Divested of the Company's Archive and Technical Records division for cash proceeds of $3.3 million and $1.5 million in prepaid archive services
- Completed a $8.5 million, 173 km^2 seismic participation survey (100% funded) in the Upper Cutbank region of north-eastern British Columbia (BC) extending into western Alberta
- Generated $23.6 million in aggregate data library sales ($6.5 million (21%) decrease from same period in 2008)

Economic Impact on Earnings and Future Operations

The current worldwide economic recession, credit crisis and lower natural gas and oil prices have affected the demand for some of the Company's products and services. In light of a potential prolonged downturn in the service industry and as previously announced; Divestco is committed to a strategy of debt reduction, restricted capital spending and reducing expenses. Divestco has been proactive in addressing its largest expense which is labour. Divestco performed two tranches of staff reductions in 2008 and implemented a company-wide salary roll-back and unpaid leaves of absence effective April 1, 2009. The Company believes this proactive approach will allow it the ability to reduce debt, improve liquidity and maintain profitability during these uncertain times, as well as provide increased upside when business levels return. In addition the Company may look at certain asset dispositions (which may result in an accounting gain or loss).

The Company has a history of profitable operations, positive funds from operations and has significantly reduced its funded debt load. Furthermore, the Company evaluates all material capital expenditures before commencement to ensure they meet appropriate funding levels. Divestco has positioned many of its assets in areas where oil and gas investments must be made, thus providing a hedge to potential slowing in general oil and gas business levels. The industry is forecasting a rebound in 2010; regardless of the aforementioned, management believes the proactive measures it has implemented will allow it to navigate any economic uncertainty that could extend past December 31, 2009.

Selected Quarterly Information

(Thousands, Except Per Share Amounts)

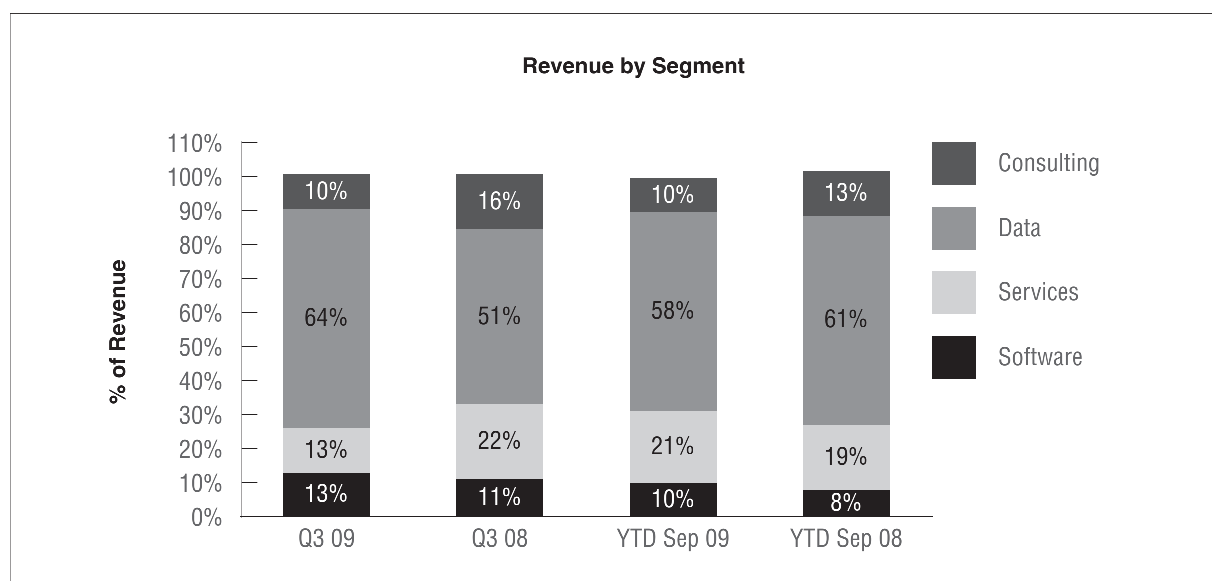
	2009			2008				2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	$13,411	$19,532	$18,765	$ 28,404	$18,334	$26,175	$30,054	$35,528
EBITDA[1]	5,903	10,683	8,152	16,046	6,128	12,879	16,348	21,755
Operating Income (Loss)[1]	(2,740)	1,818	(4,250)	(12,106)	(2,016)	316	4,807	4,937
Net Income (Loss)	(1,245)	1,558	781	(10,277)	(2,381)	281	3,114	5,116
Per Share – Basic	(0.03)	0.04	0.02	(0.25)	(0.06)	0.01	0.08	0.12
Per Share – Diluted	(0.03)	0.04	0.02	(0.25)	(0.06)	0.01	0.07	0.12
Funds from Operations[1]	9,984	6,719	7,427	14,905	4,894	13,505	14,065	15,092
Per Share – Basic	0.24	0.16	0.18	0.36	0.12	0.32	0.34	0.36
Per Share – Diluted	0.24	0.16	0.18	0.36	0.12	0.31	0.32	0.34

(1) See the Non-GAAP Measures section.

The trend illustrated in the table above is a result of recent unanticipated negative regional and global market conditions including a worldwide economic recession, depressed equity and credit markets, low natural gas and crude oil prices and the impact of the Alberta Royalty Review. Generally the Company's busiest quarters are the first and fourth, when significant drilling and exploration activities are normally underway in North America.

Results of Operations by Segment

Financial Summary by Segment



(Thousands)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009					
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$1,785	$ 1,773	$8,574	$1,279	$ –	$13,411
EBITDA[(1)]	1,049	(480)	7,062	(75)	(1,653)	5,903
Interest (Net of Interest Revenue)	6	–	1	–	669	676
Depreciation and Amortization	486	563	6,671	72	175	7,967
Operating Income (Loss)[(1)]	557	(1,043)	390	(147)	(2,497)	(2,740)

(Thousands)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008					
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$1,937	$4,059	$9,360	$2,978	$ –	$18,334
EBITDA[(1)]	729	395	7,227	69	(2,292)	6,128
Interest (Net of Interest Revenue)	–	–	–	(4)	1,256	1,252
Depreciation and Amortization	432	603	5,375	343	139	6,892
Operating Income (Loss)[(1)]	297	(208)	1,852	(270)	(3,687)	(2,016)

(Thousands)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$5,378	$10,807	$30,240	$5,282	$ –	$51,707
EBITDA[1]	2,754	1,668	25,917	65	(5,666)	24,738
Interest (Net of Interest Revenue)	17	–	21	(1)	2,431	2,468
Depreciation and Amortization	1,388	1,816	22,755	358	1,125	27,442
Operating Income (Loss)[1]	1,349	(148)	3,141	(292)	(9,222)	(5,172)

(Thousands)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$6,082	$14,074	$45,037	$9,371	$ –	$74,564
EBITDA[1]	2,214	1,654	37,811	24	(6,349)	35,354
Interest (Net of Interest Revenue)	–	–	(11)	(18)	3,814	3,785
Depreciation and Amortization	1,289	1,796	23,999	1,023	356	28,463
Operating Income (Loss)[1]	925	(142)	13,823	(981)	(10,519)	3,106

[1] See the Non-GAAP Measures section.

Software

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$1,785	$1,937	-8%	$5,378	$6,082	-12%
EBITDA[1]	1,049	729	44%	2,754	2,214	24%
Interest (Net of Interest Revenue)	6	–	N/A	17	–	N/A
Depreciation and Amortization	486	432	13%	1,388	1,289	8%
Operating Income (Loss)[1]	557	297	88%	1,349	925	46%

[1] See the Non-GAAP Measures section.

Q3 2009 Versus Q3 2008

In the third quarter of 2009, Software recorded operating income of $557,000, compared with operating income of $297,000 in the third quarter of 2008.

As in Q1 and Q2, the decrease of $151,000 (8%) in revenue was due to a lack of start-up activity and project consulting work.

The decline in revenue was offset by a decrease in salaries and benefits by $328,000 (38%) as compared to Q3 2008 due to a combination of staffing number reductions and other payroll related austerity measures. General and administrative (G&A) expenses were down by $130,000 (50%) due to cost-cutting measures, as well as reduced requirements for external consulting cycles. Amortization of deferred development costs increased while amortization of property and equipment and intangibles decreased leaving the expense slightly higher than last year.

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

In the first nine months of 2009, Software recorded operating income of $1.3 million, compared with operating income of $925,000 in the same period of 2008.

The decrease of $703,000 (12%) in revenue for the period was attributed to consulting revenue generated from a large, one-time development project whose core billing took place in January and February 2008. As previously mentioned, a significant amount of consulting revenue has not been replaced in 2009 due to the industry slowdown, accounting for further reduction in revenue levels. Recently however, there has been an increase in development consulting activity for both LandRite and GeoCarta Tools. Software anticipates the close of two large GeoCarta sales in Q4 2009.

Offsetting the decline in revenue, salaries and benefits decreased by $833,000 (31%) as compared to 2008. The reduction is mainly due to decreased staff numbers and temporary wage reductions that were implemented in April 2009. G&A expenses were down by $384,000 (45%) due to cost-cutting measures. Amortization of property and equipment and deferred development costs increased while amortization of intangibles decreased leaving the expense slightly higher last year.

Outlook

Given the economic climate of 2009, the lease model for software licensing has proven to provide a solid business model that delivers strong value to Divestco’s customers, even through tight economic times.

Software development continues to be aggressive to ensure the needs of current and future customers are being met. Q3 2009 was an extremely active quarter with new version releases for LandRite, WinPICS 3D, GeoVista, EarthTools, synerGISite, DataStore and GeoWiz. The next generation of the GeoCarta suite has now entered a controlled external testing phase and is scheduled to be released in November 2009. This represents the culmination of several years of effort to provide the industry with a modern, high quality data manipulation and mining tool. In addition, several key version releases of core products will be introduced in early 2010.

Services

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$ 1,773	$4,059	-56%	$10,807	$14,074	-23%
EBITDA[1]	(480)	395	N/A	1,668	1,654	1%
Interest (Net of Interest Revenue)	–	–	N/A	–	–	N/A
Depreciation and Amortization	563	603	-7%	1,816	1,796	1%
Operating Income (Loss)[1]	(1,043)	(208)	N/A	(148)	(142)	4%

[1] See the Non-GAAP Measures section.

Q3 2009 Versus Q3 2008

In the third quarter of 2009, Services recorded an operating loss of $1 million, compared with an operating loss of $208,000 in the third quarter of 2008.

Geomatics revenue decreased $767,000 (49%) in Q3 2009 over Q3 2008 partially due to decreases in all product line sales related to the current state of the economy. Processing revenue decreased by $1.1 million (53%) mainly due to clients drastically reducing their winter seismic expenditures. Archive revenue was down $415,000 due to the sale of the division at the end of Q1 2009.

Offsetting the decline in revenue, salaries and benefits decreased $1.1 million (41%) due to staff and temporary salary reductions and the disposition of the Archive division. Reductions in consulting expenses and the sale of Archive division decreased G&A expenses by $272,000 (35%). The increase in amortization of property and equipment and an increase in amortization of deferred development costs were offset by a reduction in amortization of intangible assets.

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

In the first nine months of 2009, Services recorded an operating loss of $148,000, compared with an operating loss of $142,000 in the same period of 2008.

Geomatics revenue decreased $1.7 million (33%) in 2009 over 2008 due to the difficult economic climate and the cancellation of the geological modelling product line. Processing revenue decreased by $921,000 (12%) mainly due to all clients across the board operating with dramatically reduced exploration budgets in response to the persistently low price of natural gas. Archive revenue was down $919,000 (67%) from the prior year due to the sale of division at the end Q1 2009.

Salaries and benefits decreased by $2.9 million (30%) due to staff reductions, temporary salary roll-backs and the sale of the Archive division which offset the decline in revenue. G&A expenses decreased by $365,000 (15%) mainly due to the sale of Archive and a reduction in consulting expenses. The increase in amortization of property and equipment and an increase in amortization of deferred development costs were offset by a reduction in amortization of intangible assets.

Outlook

Seismic processing work levels are expected to modestly increase throughout Q4 2009, mainly due to expected seasonal factors. Local activity increases will be tempered by low gas prices which are not expected to rebound significantly before the end of 2009. Processing will continue to pursue and secure work from the international market, where activity is driven more by the price of oil, which remains relatively strong.

Geomatics is beginning to notice positive changes in Q4 2009 as some clients are in the process of shooting a number of sizable 3D seismic surveys as well as having a few clients involved in large trade projects. The Geomatics DLS/Consulting group will also be providing two full time Geomatics Engineers to a project for a major oil and gas client for the rest of Q4 and expects this to continue well into 2010. The division is also beginning to field more requests regarding other DLS and NAD83 projects.

Data

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$8,574	$9,360	-8%	$30,240	$45,037	-33%
EBITDA[1]	7,062	7,227	-2%	25,917	37,811	-31%
Interest (Net of Interest Revenue)	1	–	N/A	21	(11)	N/A
Depreciation and Amortization	6,671	5,375	24%	22,755	23,999	-5%
Operating Income (Loss)[1]	390	1,852	-79%	3,141	13,823	-77%

[1] See the Non-GAAP Measures section.

SEISMIC DATA LIBRARY

	BALANCE AS AT		
	Sep 30, 2009	Dec 31, 2008	Dec 31, 2007
2D in Gross KM	103,848	103,848	99,463
2D in Net KM	82,802	82,802	79,283
3D in Gross KM^2	16,319	15,961	14,947
3D in Net KM^2	15,122	14,764	13,750

Q3 2009 Versus Q3 2008

In the third quarter of 2009, Data recorded operating income of $390,000, compared with operating income of $1.9 million in the third quarter of 2008.

Due to the industry-wide slowdown which has forced many of Divestco’s clients to cut their capital expenditure programs, business was down across the segment. Aggregate data library revenue decreased by $0.9 million (10%) ($8.1 million in Q3 2009 versus $9 million in Q3 2008). $0.3 million of the decrease was due to the sale of the Company’s U.S. division in Q3 2008. There was no seismic participation revenue in Q3 2009 or Q3 2008 as there were no seismic participation surveys completed in either of the two quarters. Brokerage revenue was down $0.2 million (28%).

Partially offsetting the decline in revenue, salaries and benefits decreased by $0.5 million (41%) due to staff and wage reductions and the sale of the U.S. division in Q3 2008. G&A expenses decreased by $96,000 (11%) due to the sale of the U.S. division in Q3 2008 and a reduction in consulting costs (a direct cost of the brokerage division) which were offset by an increase third party archive costs. Amortization of data libraries increased by $1.5 million (29%) while amortization of property and equipment and intangibles decreased by $0.2 million.

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

In the first nine months of 2009, Data recorded operating income of $3.1 million, compared with operating income of $13.8 million in the period of 2008.

Aggregate data library revenue decreased by $6.5 million (21%) ($23.6 million in 2009 versus $30 million in 2008). $1.3 million of the decrease was due to the sale of the Company's U.S. division in Q3 2008. Participation revenue decreased by $7 million (55%) ($5.7 million in 2009 versus $12.8 million in 2008) as there was only one 3D seismic participation survey completed in 2009 compared to five 3D surveys completed in 2008. Brokerage revenue was down $1.3 million (58%) in sales from 2008 primarily due to the significant downturn in the industry forcing many of Divestco's clients to reduce their exploration budgets.

Salaries and benefits decreased by $1.7 million (42%) due to staff reductions and the sale of the U.S. division in Q3 2008. G&A expenses decreased by $0.9 million (34%) due to the sale of the U.S. division in Q3 2008 and a reduction in consulting costs (a direct cost of the brokerage division) which were offset by an increase in third party archive costs. Amortization of data libraries decreased by $1.3 million (6%) while amortization of intangibles increased by $0.3 million due to a change in the useful life of certain assets in 2008.

Outlook

With respect to the seismic data division, Divestco expects that field acquisition activities will remain at lower than normal levels during 2009 and into 2010. Of all of the Company's divisions, seismic data continues to be most affected by the recent global recession, the credit crisis, reduced commodity prices and the slowdown in drilling activity as a result of the Alberta Royalty Review. Despite slower than normal second and third quarters, the Company expects to realize a number of data inventory sales over the remainder of 2009 as budget funds become available to its clients. The Company exited the field having completed a 170 km^2 3D seismic survey in February 2009 and is contemplating a small number of seismic participation surveys that could commence as early as Q4 2009. Nevertheless, Divestco is currently pursuing a more conservative seismic acquisition strategy while continuing to focus on aggregate data library sales to strengthen the balance sheet.

The Support and Log Data divisions will be consolidated into to the Services segment effective January 1, 2010. This reorganization will enable Software and Data to work closer together from an operations perspective and maximize the value of both segments. Work continues on the migration of the databases to the Public Petroleum Data Model (PPDM) 3.8 and a master data repository for managing and distributing data to software and data customers. A development project is also underway to upgrade the data management system used by the Seismic Brokerage division.

Consulting

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$1,279	$2,978	-57%	$5,282	$9,371	-44%
EBITDA[1]	(75)	69	N/A	65	24	171%
Interest (Net of Interest Revenue)	–	(4)	N/A	(1)	(18)	N/A
Depreciation and Amortization	72	343	-79%	358	1,023	-65%
Operating Income (Loss)[1]	(147)	(270)	N/A	(292)	(981)	N/A

[1] See the Non-GAAP Measures section.

Q3 2009 Versus Q3 2008

In the third quarter of 2009, Consulting recorded an operating loss of $147,000, compared with an operating loss of $270,000 in the third quarter of 2008.

Business consulting revenue was down $425,000 (46%) as the ERP practice customers continued their freeze on capital expenditures in light of the economic uncertainty. Therefore salaries and benefits were commensurately reduced by $451,000 (63%). While consulting revenues decreased, the continuing market acceptance of "pay as you go" pricing options with iLand and IT infrastructure services has attracted new customers with a more predictable revenue stream for the division. The preference of customers to modify and interconnect existing operational software installations versus upgrading has resulted in strong demand for consulting expertise in the iLand division. Land management services revenue was down $1.3 million (62%) due to an overall decrease in land acquisition activity in the oil and gas industry.

Offsetting the decline in revenue; salaries and benefits were decreased by $897,000 (57%) due to staff reductions and the discontinuance of some practice areas. G&A expenses decreased by $639,000 (50%) due to the drop in sales as both divisions have expenses that are directly tied to revenue. Changes to the amortization of intangibles in 2008 led to the decrease in amortization expense as there were fewer assets to amortize in 2009, offset by the change in amortization of property and equipment in 2009.

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

In the first nine months of 2009, Consulting recorded an operating loss of $292,000, compared with operating loss of $981,000 in the same period of 2008.

Business consulting revenue was down $1.9 million (49%) as customers continue to delay their capital and infrastructure expenditures in light of the uncertainty in the economy. Salaries and benefits decreased $1.5 million (59%), primarily due to staff reductions and reduced work weeks. Despite this continuing capital expenditure freeze and tight budgets, the technical services and iLand division experienced growth by adjusting their pricing model to one that bills monthly on a fee for usage basis. This allows the division's target market customers to spread the impact of their financial decision over a 12 to 18 month period and provide them protection against a further downturn in their business without increasing cash flow commitments in an uncertain economic climate. Land management services revenue was down $2.2 million (40%) due to a decrease in land acquisition activity in the oil and gas industry.

Offsetting the decline in revenue, salaries and benefits decreased $2.5 million (48%) due to staff reductions, unpaid time off and some practice areas being closed. G&A expenses decreased by $1.6 million (39%) due to the drop in sales as both divisions have expenses that are directly tied to revenue. Changes to the amortization of intangibles in 2008 led to the decrease in amortization expense as there were fewer assets to amortize in 2009, offset by the change in amortization of property and equipment in 2009.

Outlook

Despite the fact that a majority of Business Consulting's customers continued to delay decisions with respect to refreshing their hardware infrastructure, the introduction of several new products from suppliers such as Microsoft has traditionally resulted in stronger consulting revenues as customers look for advice and expertise in refreshing their computing infrastructure. Business Consulting expects to take advantage of this fact and anticipates revenue growth in Q4 2009, traditionally the strongest quarter of the year. Several initiatives were taken that have resulted in very unique product and pricing options that afford immediate process improvements and a good return for customers. This has resulted in revenue growth in highest margin product and services offerings and renewed interest in services by companies in the division's target market. As companies look to further improve efficiencies, it is expected that capital expenditures will start to occur later in Q4 2009.

Land management services is currently working on a large linear project for a major utility supplier and has signed a guaranteed minimum contract of approximately $750,000 for the period of a year. Workloads are expected to increase dramatically in 2010.

Corporate and Other

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Revenue	$ –	$ –	N/A	$ –	$ –	N/A
EBITDA[1]	(1,653)	(2,292)	N/A	(5,666)	(6,349)	N/A
Interest (Net of Interest Revenue)	669	1,256	-47%	2,431	3,814	-36%
Depreciation and Amortization	175	139	26%	1,125	356	216%
Operating Income (Loss)[1]	(2,497)	(3,687)	N/A	(9,222)	(10,519)	N/A

[1] See the Non-GAAP Measures section.

Q3 2009 Versus Q3 2008

In the third quarter of 2009, the Corporate segment recorded an operating loss of $2.5 million, compared with an operating loss of $3.7 million in the third quarter of 2008.

Salaries and benefits decreased $569,000 (38%) as the Company's temporary wage reduction programs commenced on April 1, 2009. G&A expenses decreased by $180,000 (15%) due to decreases in insurance, travel and entertainment, stock based compensation and bad debt expense partially offset by an increase in professional fees. Interest expense was down by $587,000 (47%) due to a reduction of overall debt levels and lower effective interest rates. Amortization increased by $37,000 (26%) due to the change in amortization of property and equipment.

Nine Months Ended September 30, 2009 Versus Nine Months Ended September 30, 2008

In the first nine months of 2009, the Corporate segment recorded an operating loss of $9.2 million, compared with an operating loss of $10.5 million in the same period of 2008.

Salaries and benefits decreased $1.4 million (30%) as the Company's temporary wage reduction programs commenced on April 1, 2009. G&A expenses increased by $238,000 (7%) due to the increase in professional fees and bad debts partially offset by decreases in travel and entertainment, recruitment and training, and stock compensation expenses. Interest expense was down by $1.4 million (36%) due to the pay down of debt and lower interest rates. Amortization increased by $771,000 (216%) due to the change in amortization of property and equipment.

Outlook

Divestco's new ERP system went live in January 2009 and the Company will continue to implement new modules during the year, relying on internal resources versus external consultants in order to minimize expenses.

Depreciation and Amortization

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Depreciation and Amortization	$7,967	$6,892	16%	$27,442	$28,463	-4%

In the third quarter of 2009, depreciation and amortization was $8 million, compared with $6.9 million in the third quarter of 2008. The $1.1 million (16%) increase was due to an increase in amortization of deferred development costs (as a number of projects were completed in 2008 and 2009), property and equipment (change of declining balance to straight line method), and data libraries. This was partially offset by a decrease in amortization of intangible assets due to the change to the useful life of customer related intangibles in 2008.

In the first nine months of 2009, depreciation and amortization was $27.4 million, compared with $28.5 million in the same period of 2008. The $0.9 million (4%) decrease was due to the reduction in the amount of seismic participation surveys(1) completed in 2009 compared to 2008 (a single participation survey was completed in 2009 for $8.5 million compared to five surveys in 2008 for $20.8 million). Amortization of intangibles was also lower due to the change to the useful life of customer related intangibles in 2008. These were partially offset by an increase in amortization of deferred development costs (as a number of projects were completed in 2008 and 2009, and property and equipment (change of declining balance to straight line method).

(1) Participation surveys are amortized at a rate of 40% on the date of delivery and 10% each year thereafter, commencing a year after the date of delivery.

Income Taxes

(Thousands)

	THREE MONTHS ENDED SEP 30			NINE MONTHS ENDED SEP 30		
	2009	2008	% Change	2009	2008	% Change
Current	(4,630)	725	N/A	(4,468)	1,252	-457%
Future (Reduction)	3,104	(1,872)	-266%	2,594	(659)	N/A
Income Taxes (Reduction)	$(1,526)	$(1,147)	33%	$(1,874)	$ 593	N/A

In the third quarter of 2009, the Company recorded a current income tax recovery of $4.6 million and a future tax expense of $3.1 million mainly due to a non-capital loss carry-back.

In the first nine months of 2009, the Company recorded a current income tax recovery of $4.5 million and future tax expense of $2.6 million as a result of a non-capital loss carry-back offset and the sale of the Archive and Technical Records divisions.

In October 2009, the Company received $2.1 million of an expected $4.5 million from the loss carry-back.

As at September 30, 2009, Divestco and its Canadian subsidiaries had $3.3 million in undepreciated capital cost pools, $16.1 million in Federal and $5.1 million in Alberta non-capital loss carry-forwards (partially assumed through various acquisitions in 2007) which begin to expire in 2027 and $597,000 in Scientific Research and Experimental Development investment tax credits which expire in 2019.

Major Transactions

Seismic Related

In the third quarter of 2009, Divestco did not acquire any seismic data.

In the first nine months of 2009, Divestco completed a 3D seismic participation survey for $8.5 million covering an approximate area of 170 km^2 and acquired four existing 3D surveys covering an area of 188 km^2 for $3.9 million. In addition the Company recorded favourable adjustments to its reclamation cost accruals for certain surveys.

Liquidity and Capital Resources

SUMMARY OF FINANCIAL POSITION

(Thousands, except as otherwise indicated)

	BALANCE AS AT		
	Sep 30, 2009	Dec 31, 2008	Dec 31, 2007
Current Assets	$ 24,595	$ 32,120	$ 32,021
Current Liabilities[1]	31,477	41,857	60,099
Working Capital (Deficiency)	(6,882)	(9,737)	(28,078)
Funded Debt[2]	35,251	48,085	51,822
Shareholders' Equity	113,558	111,973	118,723
Funded Debt to Equity[3] – %	31%	43%	44%

(1) Excludes deferred revenue
(2) Current and long-term portion of debt obligations
(3) Funded debt divided by shareholders' equity

Working Capital

Divestco's working capital deficit at the end of September 2009, excluding deferred revenue of $3.1 million was $6.9 million, compared to a deficit of $9.7 million at the end of 2008 which excluded deferred revenue of $11.2 million. The $2.8 million decrease in working capital deficit (net of deferred revenue) was due to the accrual of an expected corporate income tax refund. This was offset by Divestco and its lenders agreeing to an accelerated payment schedule of the Company's credit obligations and a requirement to commit the proceeds from the divestiture of Divestco's Archive and Technical Records divisions to term debt as opposed to revolving debt. Total debt was reduced by $1.5 million (current and long-term portions) in the quarter. To mitigate further economic pressure on Divestco, the Company remains committed to limiting capital expenditures unless they are well funded (mainly seismic participation surveys) and implemented further cost-cutting measures to reduce salaries effective April 1, 2009. In addition to funds from operations, the Company will continue to explore the possibility of disposing of certain assets (which could result in an accounting gain or loss). Over time Divestco expects that current austerity measures in addition to existing and future opportunities will generate the cash flows required to rectify its working capital shortfall. Divestco receives a significant portion of its revenue from the licensing of seismic data and this also makes up a portion of current opportunities. Correlated to the rectification of the Company's working capital shortfall is the demand and price of licensing revenue, which depends on the activity levels for oil and gas producers determined in part by commodity prices, supply and demand for oil and natural gas, and access to credit and capital markets.

A significant factor contributing to the working capital deficit at the end of September is the Company's current debt repayment schedule. As depicted in the summary below, the Company is scheduled to reduce its funded debt by $17.9 million in fiscal 2009 (net of advances) which includes $4.9 million in Q4 2009. Components of Divestco's working capital deficit related to funded debt included:

- $3.3 million of agreed upon step-downs to its committed revolver facility (on July 1, 2009, the Company's committed revolver was reduced from $23.5 to $20 million of availability (extended from April 1, 2009). It will be reduced on January 1, 2010, from $20 to $17.5 million of availability and on May 1, 2010, from $17.5 to $15 million of availability). As at September 30, 2009, $18.3 million was outstanding on the revolver therefore $3.3 million was classified as a current liability related to the step-downs.
- $5.7 million of scheduled committed term loan payments (effective May 1, 2009, the term loan amortization schedules were reduced from six to five years, mirroring the maturity date of the entire credit facilities and resulting in a $1.4 million increase to the current portion of long-term debt). This was offset by three months of amortization relief granted to the Company on July 1, 2009 for meeting its July 1, 2009 committed revolver step-down payment.
- $3.3 million in payments associated with the unsecured promissory notes issued to replace the convertible debentures that matured in 2008. The Company deferred the June to October 2009 restructured debenture payments; however it is in the process of attempting to refinance the entire obligation.

Divestco's debt summary for fiscal 2009:

	BALANCE AS AT JANUARY 1, 2009	PAYMENTS (NET OF ADVANCES)	BALANCE AS AT SEPTEMBER 30, 2009	EXPECTED PAYMENTS	FORECASTED BALANCE AS AT DECEMBER 31, 2009
Term Loans	18,472	(5,262)	13,210	(1,424)	11,786
Committed Revolver	22,730	(4,440)	18,290	–	18,290
Promissory Notes	6,091	(2,687)	3,404	(3,337)	67
Capital Leases	1,491	(649)	842	(130)	712
	48,784	(13,038)	35,746	(4,891)	30,855

Selected Cash Flow Items

(Thousands)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Operating Activities				
Funds from operations[1]	$ 9,984	$ 4,894	$ 24,130	$ 32,464
Non-Cash Working Capital Change (Current and Long-Term Portions)	(6,444)	(1,903)	(4,849)	(4,072)
Cash Flows From Operating Activities	3,540	2,991	19,281	28,392
Financing Activities				
Long-Term Debt Obligations	(1,520)	3,162	(13,121)	3,904
Issue of Common Shares, Net of Repurchases	–	(59)	–	290
Other – Net	–	–	(75)	–
Cash Flows From (Used in) Financing Activities	(1,520)	3,103	(13,196)	4,194
Investing Activities				
Acquisition of Data Libraries	(55)	(363)	(7,188)	(23,847)
Surveys in Progress	(1)	385	4,500	51
Additions to Property, Plant and Equipment	(49)	(73)	(1,421)	(362)
Other – Net	(1,666)	(7,567)	(2,437)	(8,292)
Cash Flows From (Used in) Investing Activities	(1,771)	(7,618)	(6,546)	(32,450)
Foreign Exchange Gain on Cash Held in a Foreign Currency	1	(11)	1	(8)
Change in Cash	$ 250	$(1,535)	$ (460)	$ 128

[1] See the Non-GAAP Measures section.

Operating Activities

In the third quarter of 2009, funds from operations were $10 million (24 cents/share (diluted)), compared with $4.9 million (12 cents/share (diluted)) in the third quarter of 2008. The accrual of an expected corporate income tax refund and decrease in operating expenses were partially offset by a decrease in revenue primarily due to the drop in seismic data revenue as fewer participation surveys were completed. The decline in demand for new seismic data as clients cut their capital budget programs also led to sharp decreases in processing and geomatics revenue.

In the first nine months of 2009, funds from operations were $24.1 million (58 cents/share (diluted)), compared with $32.5 million (78 cents/share (diluted)) in the same period of 2008. Revenues were down primarily due to the drop in participation and aggregate data

library revenue as fewer participation surveys were completed and demand for existing data was down as clients reduced their exploration budgets significantly. This decline also had a negative impact on almost all of the other divisions. In addition $3.3 million related to the non-cash component of a data exchange was eliminated from funds from operations as cash flow from investing activities and operating activities reflect only the net cash portion. This was partially offset by an accrual for an expected corporate income tax refund and reductions to operating expenses.

Financing Activities

At the end of the third quarter of 2009, the Company's term and committed revolving credit facilities totalled $31.5 million. $10.5 million and $2.7 million were outstanding on term loans A and B, respectively, while $18.3 million was outstanding on the committed revolver.

In March 2009, the Company negotiated an amendment to its debt covenants and agreed to a further step-down on the committed revolver availability to $17.5 million of availability by January 1, 2010 and $15 million of availability by April 30, 2010. The step-down to $20 million on the committed revolver was extended from April 1, 2009 to July 1, 2009. The revised term loan amortization schedules became effective May 1, 2009 and on July 1, 2009, the Company received three months of amortization relief for meeting committed revolver step-down on July 1, 2009. The Company's interest rates remain on a formula grid structure of LIBOR and base-rate options of plus 4.00% to 5.00%.

The Company's minimum EBITDA covenant of $50 million on a trailing 12-month basis was amended to minimum cash EBITDA [(1)] of at least:

- $5 million as at March 31, 2009 (measured on a trailing 3 month basis) – waiver of the covenant provided as at March 31, 2009
- $12 million as at June 30, 2009 (measured on a trailing 6 month basis)
- $17.5 million as at September 30, 2009 (measured on a trailing 9 month basis)
- $25 million as at December 31, 2009 (measured on a trailing 12 month basis)
- $25 million thereafter

(1) Cash EBITDA is EBITDA less participation revenue.

The Company's fixed charge coverage covenant was amended whereby the ratio must be least:

- 0.60:1 as at March 31, 2009 (measured on a trailing 3 month basis)
- 1.25:1 as at June 30, 2009 (measured on a trailing 6 month basis)
- 1.25:1 as at September 30, 2009 (measured on a trailing 9 month basis)
- 1.25:1 as at December 31, 2009 (measured on a trailing 12 month basis)
- 1.25:1 thereafter

The remaining terms remained substantially unchanged.

As at September 30, 2009, the Company was not in violation of its debt covenants.

Divestco is in continuous negotiations with its lender to ensure that the Company's credit facilities combined with its funds from operations will be sufficient in the short-term and long-term to meet planned growth and to fund future capital expenditures. Furthermore, Divestco has implemented significant cost-cutting measures and evaluates all material capital expenditures before commencement to ensure they meet appropriate funding levels. The Company may also continue to dispose of non-core assets (which could result in accounting gain or loss).

Investing Activities

During the third quarter of 2009, the Company acquired $49,000 of property, plant and equipment (excluding $83,000 in computer equipment acquired under capital lease). The Company did not acquire any seismic data in Q3 2009.

During the first nine months of 2009, the Company completed an $8.5 million seismic participation program, acquired $3.9 million in seismic data, and $1.4 million in property, plant and equipment (including $1.2 million in costs related to the implementation of the Company's new accounting system which were reclassified from prepaid expenses and excluding $83,000 in computer equipment acquired under capital lease).

Outstanding Share Data

Divestco's common shares trade on the Toronto Stock Exchange (TSX) under the symbol DVT. The Company is authorized to issue an unlimited number of voting common shares.

The following table summarizes the Company's outstanding equity instruments:

	BALANCE AS AT (THOUSANDS)		
	Nov 6, 2009	Sep 30, 2009	Dec 31, 2008
Common Shares			
Outstanding	41,958	41,958	41,958
Weighted Average Outstanding			
Basic		41,958	41,767
Diluted[1]		41,958	41,767
Stock Options			
Outstanding	2,861	2,087	2,487
Exercise Price Range	$0.60 to $6.10	$1.00 to $6.10	$1.00 to $6.10

(1) In calculating diluted weighted average outstanding shares, conversion or exercise of equity instruments is assumed only if the effect is dilutive. For the nine months ended September 30, 2009, options to purchase 2,087,000 common shares have been excluded from the calculation of diluted weighted average outstanding shares as they were out of the money for the entire period.

Normal Course Issuer Bid

On January 24, 2008, the TSX accepted the Company's Notice of Intention to make a Normal Course Issuer Bid (NCIB) to purchase up to 2,093,000 (a maximum of 5%) of its issued and outstanding common shares (41,857,000 common shares as at January 14, 2008) in a twelve-month period. The NCIB commenced January 28, 2008, and terminated on January 27, 2009. There were no shares purchased during 2009 under the NCIB.

Stock Options

As at September 30, 2009, there were 4,196,000 common shares reserved for grants of stock options.

During the nine months ended September 30, 2009:

- 400,000 options were forfeited with exercise prices ranging from $1.20 to $6.10, including 40,000 options held by an officer and former officer and 30,000 held by a director.

From October 1, 2009 to November 6, 2009:

- 975,000 options were granted with an exercise price of $0.60 to officers and directors.
- 201,000 options were forfeited with exercise prices ranging from $1.00 to $6.00 including 50,000 options held by a director.

Related Party Transactions

Divestco had the following related party transactions for the nine months ended September 30, 2009:

- $147,000 (2008 – $151,000) was paid in consulting fees and brokerage commissions to a company controlled by a Director for providing seismic data consulting and seismic brokerage services.
- $350,000 (2008 – $162,000) was paid in legal fees to the law firm that provides the Company general legal counsel and employs the Company's Corporate Secretary

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

Critical Accounting Estimates

Seismic Data Libraries

The costs associated with purchasing or creating the seismic data library are capitalized. Purchases of existing seismic data are capitalized and amortized on a straight-line basis over 10 years. The Company also creates seismic data and capitalizes the costs paid to third parties for the acquisition of data, permitting, surveying, and other related costs. Created seismic may be acquired without pre-sale commitments or with pre-sale commitments that include an exclusive data use period. 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 40% on delivery of the data to the customer, with the remaining balance on a straight-line basis over the next six-year period. Some of the created seismic is acquired jointly with others. The Company's financial statements reflect only its proportionate share of the costs of the jointly-created seismic data library.

Stock-Based Compensation

No stock options were granted for the nine months ended September 30, 2009.

New Accounting Pronouncements

Goodwill and Intangible Assets

The Company adopted the new Canadian accounting standards for goodwill and intangible assets on January 1, 2009. These new standards apply to goodwill subsequent to initial recognition and established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard did not have a material impact on the Company's consolidated financial statements.

Financial Instruments

The Company will be required to adopt the new Canadian accounting standard for financial instruments – disclosures for its fiscal year ending December 31, 2009. The new standard includes additional disclosures regarding fair value for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

As of January 1, 2011, the Company will be required to adopt the following new Canadian accounting standards for:

Business combinations, which replaces the previous business combinations standard. The standard requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition-related and restructuring costs are to be recognized separately from the business combination and included in the statement of earnings. The adoption of this standard will impact the accounting treatment of future business combinations.

Consolidated financial statements, together with the new rules on non-controlling interests, replace the former consolidated financial statements standard. This standard establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard should not have a material impact on Divestco's consolidated financial statements.

Non-controlling interests, which establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The adoption of this standard should not have a material impact on Divestco's consolidated financial statements.

International Financial Reporting Standards

In January 2006, the Canadian Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for years beginning on or after January 1, 2011 for profit-oriented publicly-accountable enterprises in Canada. An omnibus exposure draft was issued by the AcSB in the second quarter of 2008, which incorporates IFRS into the Canadian Institute of Chartered Accountants Handbook and prescribes the transitional provisions for adopting IFRS.

The Company has commenced the process to transition from current Canadian GAAP to IFRS. It has established a project plan and a project team. The project team is led by finance and includes representatives from operations to plan for and achieve an efficient transition to IFRS.

The project plan consists of three phases: initiation, detailed assessment and design, and implementation. The Company has completed the first phase, which involved the development of a detailed timeline for assessing resources and training and the completion of a high level review of the major differences between current Canadian GAAP and IFRS. Education and training sessions for employees within finance and accounting and discussions with the Company's external auditors have commenced and will continue throughout the subsequent phases. Regular reporting is provided to the Company's senior executive management and to the Audit Committee.

The Company began the detailed assessment and design phase of the project during the second quarter of 2009 which should be completed by the end of November. The detailed assessment and design phase involves establishing work teams to complete a comprehensive analysis of the impact of the IFRS differences identified in the initial scoping assessment. In addition, an initial evaluation of IFRS 1, First-time Adoption of IFRS, transition exemptions and an analysis of financial systems will be performed by the end of November.

The areas of accounting differences with the highest potential impact are the accounting for intangible assets, impairment testing, revenue recognition, property, plant and equipment, business combinations, taxes and the initial adoption of IFRS under the provisions of IFRS 1, First-time Adoption of IFRS.

During the implementation phase, the Company will execute the required changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting. At this time, the impact on financial statements is not reasonably determinable.

Securities Regulations Update

Disclosure Controls and Procedures

Disclosure Controls and Procedures are controls and procedures designed and implemented by, or under, the supervision of Divestco's Chief Executive Officer (CEO) and Chief Financial Officer (CFO). These controls and procedures ensure that material information relating to the Company is communicated to them by others in the organization as it becomes known, and that the information is appropriately disclosed as required under the continuous disclosure requirements of securities legislation. In essence, these types of controls are related to the quality and timeliness of financial and non-financial information in securities filings.

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was conducted as at December 31, 2008, by and under the supervision of Divestco's management, including the CEO and CFO. Based on this evaluation,

the CEO and CFO have concluded that the Company's disclosure controls and procedures, as defined in the Canadian Securities Administrators' National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", are effective to ensure that information required to be disclosed in reports that the Company files or submits under Canadian securities legislation is recorded, processed, summarized, and reported within the time periods specified in those rules and forms.

There were no changes in Divestco's disclosure controls and procedures that occurred during nine months ended September 30, 2009, that have materially affected, or are reasonably likely to materially affect, Divestco's internal control over financial reporting.

Internal Control Over Financial Reporting

Divestco maintains a set of internal controls and procedures over financial reporting which have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. The Company used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to evaluate the effectiveness of its internal control over financial reporting. Divestco evaluated the effectiveness of its controls and procedures over financial reporting (as defined under National Instrument 52-109) for the year ended December 31, 2008. This evaluation was performed under the supervision of the CEO and the CFO, with the assistance of other Divestco employees. Based on this evaluation, the CEO and the CFO concluded that the effectiveness of these internal controls and procedures provided reasonable assurance regarding the reliability of financial reporting and that there are no material weaknesses in Divestco's internal control over financial reporting that have been identified by management for the year ended December 31, 2008.

There were no changes in Divestco's internal control over financial reporting that occurred during the nine months ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, Divestco's internal control over financial reporting.

Consolidated Balance Sheets

(Thousands – Unaudited)

	AS AT	
	Sep 30, 2009	Dec 31, 2008
Assets		
Current Assets		
Cash and cash equivalents	$ 1,351	$ 1,811
Funds held in trust	17	31
Accounts receivable	17,058	27,858
Prepaid expenses, supplies and deposits	1,744	2,361
Income taxes receivable	4,425	59
	24,595	32,120
Long-term prepaid expense (Note 4)	911	–
Investment in affiliated company	94	80
Data libraries (Note 5)	143,725	154,897
Participation surveys in progress	208	4,708
Property and equipment (Note 6)	3,377	4,942
Deferred development costs (Note 7)	6,310	6,201
Intangible assets (Note 8)	4,964	6,787
	$184,184	$209,735
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 18,675	$ 27,235
Current portion of deferred revenue	3,133	11,206
Current portion of long-term debt obligations (Note 9)	12,802	14,622
	34,610	53,063
Deferred revenue	–	263
Long-term debt obligations (Note 9)	22,449	33,463
Future income taxes	13,567	10,973
	70,626	97,762
Shareholders' Equity		
Equity instruments (Note 10(b))	70,518	70,518
Contributed surplus (Note 10(c))	5,446	4,955
Retained earnings	37,594	36,500
	113,558	111,973
Future operations (Note 1)		
Commitment (Note 4)		
Contingencies (Note 16)		
	$184,184	$209,735

See notes to consolidated financial statements.

Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Retained Earnings

(Thousands, Except Per Share Amounts – Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30		FOR THE NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Revenue	$13,411	$18,334	$51,707	$74,564
Operating expenses				
Salaries and benefits	4,453	7,860	16,801	26,055
General and administrative	2,956	4,072	9,677	12,314
Stock compensation expense (Note 10(c))	99	274	491	841
	7,508	12,206	26,969	39,210
Interest expense	676	1,252	2,468	3,785
Depreciation and amortization	7,967	6,892	27,442	28,463
Other income (loss)	(31)	(1,512)	4,392	(1,499)
Income (loss) before income taxes	(2,771)	(3,528)	(780)	1,607
Income taxes				
Current (recovery)	(4,630)	725	(4,468)	1,252
Future (reduction)	3,104	(1,872)	2,594	(659)
	(1,526)	(1,147)	(1,874)	593
Net income (loss) and comprehensive income (loss) for the period	(1,245)	(2,381)	1,094	1,014
Retained earnings, beginning of period	38,839	49,158	36,500	45,763
Retained earnings, end of period	$37,594	$46,777	$37,594	$46,777
Net income (loss) per share (Note 10(e))				
Basic and Diluted	$ (0.03)	$ (0.06)	$ 0.03	$ 0.02
Weighted average number of shares				
Basic and Diluted	41,958	41,820	41,958	41,740

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(Thousands – Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30		FOR THE NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income (loss) for the period	$(1,245)	$(2,381)	$ 1,094	$ 1,014
Items not affecting cash:				
Equity investment gain	(15)	(14)	(14)	(13)
Depreciation and amortization of data libraries, property and equipment and intangible assets	7,440	6,662	26,070	27,737
Amortization of deferred development costs	527	230	1,372	726
Amortization of deferred finance costs	74	88	279	277
Accretion of liability portion of convertible debentures	–	166	–	498
Future income taxes (reduction)	3,104	(1,872)	2,594	(659)
Data exchanges (Note 5)	–	–	(3,321)	–
Loss (gain) on sale of property and equipment (Note 4)	–	1,558	(4,435)	1,558
Non-cash retention bonus	–	183	–	485
Stock compensation expense (Note 10(c))	99	274	491	841
	9,984	4,894	24,130	32,464
Changes in non-cash working capital balances (Note 12)	(6,733)	(1,826)	(4,875)	(3,555)
Decrease in non-current deferred revenue	–	(77)	(263)	(517)
Decrease in long-term prepaid expense	289	–	289	–
	3,540	2,991	19,281	28,392
Cash flows from (used in) financing activities				
Issue of common shares, net of related expenses	–	–	–	349
Repayment of long-term debt obligations	(137)	(1,899)	(8,756)	(5,039)
Deferred financing costs	–	–	(75)	–
Proceeds received from long-term debt obligations (net of committed revolver repayments)	(1,383)	5,061	(4,365)	8,943
Repurchase of common shares	–	(59)	–	(59)
	(1,520)	3,103	(13,196)	4,194
Cash flows from (used in) investing activities				
Purchase of data libraries	(55)	(363)	(7,188)	(23,847)
Decrease (increase) in participation surveys in progress	(1)	385	4,500	51
Purchase of property and equipment	(49)	(73)	(1,421)	(362)
Proceeds on sale of property and equipment	–	3,084	3,340	3,089
Deferred development costs	(470)	(666)	(1,481)	(1,867)
Changes in non-cash working capital balances (Note 12)	(1,196)	(9,985)	(4,296)	(9,514)
	(1,771)	(7,618)	(6,546)	(32,450)
Foreign exchange gain (loss) on cash held in a foreign currency	1	(11)	1	(8)
Increase (decrease) in cash and cash equivalents	250	(1,535)	(460)	128
Cash and cash equivalents, beginning of period	1,101	4,129	1,811	2,466
Cash and cash equivalents, end of period	$ 1,351	$ 2,594	$ 1,351	$ 2,594

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009 (Tabular amounts in thousands, unless otherwise stated)

Divestco Inc. ("Divestco" or the "Company") is incorporated under the Business Corporations Act of Alberta and is a publicly traded company on the Toronto Stock Exchange (TSX) under the symbol DVT. The Company 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 four operating segments which include Software, Services, Data and Consulting. The Corporate and Other segment provides support services to the operating segments.

1. Basis of Presentation and Future Operations

These consolidated financial statements have been prepared on the basis that the Company will be able to discharge its obligations and realize its assets in the normal course of business at the values at which they are carried in these consolidated financial statements. The Company had a working capital deficit of $10 million as at September 30, 2009, including deferred revenue of $3.1 million ($6.9 million net of deferred revenue). The working capital deficit includes amounts related to the restructured payment of matured unsecured convertible debentures of $3.3 million, amounts owing over $15 million on the Company's committed revolver ($18.3 million was drawn on the committed revolver as at September 30, 2009 and the maximum availability will be reduced to $15 million by May 1, 2010) and $5.7 million owing on the Company's term loans, which are due before September 30, 2010. These matters cast doubt on the ability of the Company to continue to meet its obligations. Management is reviewing additional sources of capital and debt financing to continue its activities and discharge its commitments as they become due. Management will also review all asset disposition opportunities in an effort to discharge its commitments as they become due and these dispositions may result in an accounting gain or a loss. Management believes that the going concern assumption is appropriate for these consolidated financial statements. Adjustments to the carrying amounts of the balance sheet classifications used, assets and liabilities, and revenues and expenses, may be necessary should the going concern assumption be inappropriate. The Company has a history of profitable operations, positive funds from operations and has reduced its funded debt load. Furthermore, the Company has implemented cost cutting measures and evaluates all material capital expenditures before commencement to ensure they meet appropriate funding levels. As at September 30, 2009, the Company was not in violation of its debt covenants.

These interim consolidated financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles (GAAP) in Canada. The preparation of financial statements in conformity with GAAP in Canada requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from those estimates. These interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality.

These interim consolidated financial statements do not include the entire note disclosures required for the annual consolidated financial statements, and therefore, should be read in conjunction with audited consolidated financial statements as at and for the year ended December 31, 2008. These interim consolidated financial statements have been prepared following the same significant accounting policies as the most recently issued annual consolidated financial statements except as disclosed in Note 2.

The results of operations for the three and nine months ended September 30, 2009 are not necessarily indicative of results to be expected for the entire year ending December 31, 2009. The Company records seismic data revenue related to its shot seismic programs, which are carried out primarily during the winter months. Revenue is recognized upon completion of a program after the related data has been delivered. Therefore, a significant portion of the Company's revenue for its shot seismic data is recognized in the winter and spring seasons.

2. Changes in Accounting Policies and Future Accounting Pronouncements

The Company adopted the new Canadian accounting standards for goodwill and intangible assets on January 1, 2009. These new standards apply to goodwill subsequent to initial recognition and establish standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard did not have a material impact on the Company's consolidated financial statements.

The Company will be required to adopt the new Canadian accounting standard for financial instruments – disclosures for its fiscal year ending December 31, 2009. The new standard includes additional disclosures regarding fair value for financial instruments and liquidity risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

In January 2006, the Canadian Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that International Financial Reporting Standards (IFRS) will replace Canadian GAAP in 2011 for profit-oriented publicly-accountable enterprises in Canada.

As of January 1, 2011, the Company will be required to adopt the following new Canadian accounting standards for:

Business combinations, which replaces the previous business combinations standard. The standard requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition-related and restructuring costs are to be recognized separately from the business combination and included in the statement of earnings. The adoption of this standard will impact the accounting treatment of future business combinations.

Consolidated financial statements, together with the new rules on non-controlling interests, replace the former consolidated financial statements standard. This standard establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard should not have a material impact on Divestco's consolidated financial statements.

Non-controlling interests, which establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The adoption of this standard should not have a material impact on Divestco's consolidated financial statements.

3. Changes in Accounting Estimates

On January 1, 2009, the Company changed the useful life of its data libraries and property and equipment as follows:

	AMORTIZATION METHOD		RATE	
	Previous	New	Previous	New
Reference library	Declining balance	Straight-line	20%	5 years
Computer hardware and software	Declining balance	Straight-line	30%	3 years
Office furniture and equipment	Declining balance	Straight-line	20-30%	5 years

As a result of this change, additional annualized depreciation and amortization of $1.4 million and $1.8 million will be recorded for the nine months ended September 30, 2009 and year ended December 31, 2009, respectively, based on the balances as at December 31, 2008.

Management believes that these changes in estimates are warranted as they provide a basis of amortization that better reflects the economic lives of the respective assets, given the current and changing environment in which the Company operates.

4. Disposition

On March 30, 2009, the Company sold its Archive and Technical Records divisions. The disposition is summarized below:

ASSETS DISPOSED OF:	
Computer hardware and software	$ 175
Assets under lease	328
Deferred revenue	(98)
	$ 405
CONSIDERATION:	
Cash (including disposition costs)	$3,340
Prepaid archive services	1,500
	$4,840
	$4,840
GAIN ON SALE	**$4,435**

The gain has been reflected in other income in the consolidated statements of income and comprehensive income. A future income tax expense of $0.9 million has been recorded.

The Company received a prepaid archive services credit of $1.5 million or $300,000 per year over five years. From April 1, 2009 to September 30, 2009, the Company used $289,000 of the credit.

In addition, the Company has guaranteed a minimum revenue obligation to the purchaser of $400,000 per year over five years for a total of $2 million. Any annual short-fall will be paid in cash by the Company to the purchaser. The Company can discharge its obligation in advance without penalty. From April 1, 2009 to September 30, 2009, the Company fulfilled $119,000 of the annual obligation.

5. Data Libraries

	BALANCE AS AT			
	September 30, 2009		December 31, 2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Seismic data library	$251,981	$113,820	$241,707	$ 92,748
Datasets	632	477	632	451
Log and drilling library	7,209	2,007	7,209	1,737
Reference library	445	393	445	327
Map library	239	84	239	72
	$260,506	$116,781	$250,232	$ 95,335
Net book value		$143,725		$154,897

During the nine months ended September 30, 2009, the Company acquired $3.3 million of seismic data libraries and sold $6.3 million of seismic data licenses in data exchanges. The net cash amount of $3 million was reflected as an investing activity in the consolidated statements of cash flows. There were no data exchanges in fiscal 2008.

6. Property and Equipment

	BALANCE AS AT			
	September 30, 2009		December 31, 2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	$ 7,357	$ 5,660	$ 6,909	$4,862
Office furniture and equipment	1,305	961	1,204	755
Leasehold improvements	1,424	959	1,249	729
Assets under capital lease	3,516	2,675	4,006	2,064
Land	30	–	(16)	–
	$13,632	$10,255	$13,352	$8,410
Net book value		$ 3,377		$4,942

7. Deferred Development Costs

	BALANCE AS AT	
	September 30, 2009	December 31, 2008
Balance, beginning of period	$ 6,201	$4,736
Additions	1,482	2,453
Amortization[1]	(1,373)	(988)
Balance, end of period	$ 6,310	$6,201

[1] Included in depreciation and amortization in the consolidated statements of income (loss) and comprehensive income (loss).

8. Intangible Assets

	BALANCE AS AT			
	September 30, 2009		December 31, 2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Non-competition agreements	$ 3,938	$ 3,938	$ 3,938	$ 3,938
Customer related intangibles	11,389	11,315	11,389	10,336
Proprietary software and code	8,256	4,593	8,256	4,084
Office leases below market value	2,700	1,473	2,700	1,138
Well logs licence agreement	750	750	750	750
	$27,033	$22,069	$27,033	$20,246
Net book value		$ 4,964		$ 6,787

9. Long-Term Debt Obligations

	BALANCE AS AT	
	September 30, 2009	December 31, 2008
Term loans and committed revolver (a)	$ 31,500	$ 41,202
Promissory notes (b)	3,404	6,091
Capital lease obligations (c)	842	1,491
	35,746	48,784
Current portion	(12,802)	(14,622)
Deferred finance charges (d)	(495)	(699)
Long-term portion	$ 22,449	$ 33,463

(a) Term loans and committed revolver

On March 27, 2009, the Company's credit facility was amended. The Company's committed revolver was reduced to $20 million of availability on July 1, 2009 and will be reduced to $17.5 million by January 1, 2010 and $15 million by May 1, 2010. The term loan amortization schedules were reduced from six to five years on May 1, 2009 to mirror the maturity date of the entire credit facilities. In addition, the Company received three months of amortization relief on its term loans which commenced on July 1, 2009 which was contingent on the Company meeting a committed revolver step-down payment on July 1, 2009. The Company's fixed charge coverage covenant was further amended going forward and the EBITDA covenant was changed to a cash EBITDA covenant (cash EBITDA is EBITDA less participation revenue). The Company's interest rates remain on a formula grid structure of LIBOR and Canadian base-rate options plus 4.00% to 5.00%. The remaining terms remained substantially unchanged.

The facilities are subject to the Company meeting certain debt covenants. The Company must have a minimum of $15 million in cash EBITDA for the nine months ended September 30, 2009 (on a trailing nine-month basis) and a fixed charge coverage ratio of at least 1.25:1 as at September 30, 2009 (on a trailing nine-month basis). As at September 30, 2009, the Company was not in violation of its debt covenants and does not expect to violate its financial covenants over the next 12 months ending September 30, 2010.

As at September 30, 2009, $18.3 million was drawn on the committed revolver, $10.5 million was drawn on term loan A, and $2.7 million was drawn on term loan B. The bank facilities are secured by a first floating charge on all the Company's assets.

PRINCIPAL PAYMENTS ON THE TERM LOANS ARE AS FOLLOWS:	
Oct 2009 to Sep 2010	$ 5,693
Oct 2010 to Sep 2011	5,693
Oct 2011 to Sep 2012	1,824
	$13,210

COMMITTED REVOLVER:	
Current potion	$ 3,290
Long-term portion	15,000
	18,290
Total	$31,500

(b) Promissory notes

	BALANCE AS AT	
	September 30, 2009	December 31, 2008
Unsecured promissory notes issued to replace the convertible debentures on the date of maturity, bearing interest of 10%, repayable in 12 equal monthly blended payments commencing January 15, 2009. The Company deferred the June to September 2009 payments until the end of the term of the loan. However it is in the process of attempting to refinance the entire obligation.	$ 3,271	$ 5,608
Unsecured promissory notes issued on the acquisition of Spectrum Seismic Processing, bearing interest of 6%, repayable on June 19, 2009.	–	350
Unsecured promissory notes issued on the acquisition of Canadian Landmasters Resource Services Ltd., bearing interest at 2% above the Company's prime lending rate, repayable in three equal instalments of $66,667 on each of December 31, 2008, 2009, and 2010.	133	133
	$ 3,404	$ 6,091
Current portion	(3,337)	(6,024)
Long-term portion	$ 67	$ 67

Principal payments are as follows:

Oct 2009 to Sept 2010	$3,337
Oct 2010 to Sept 2011	67
	$3,404

(c) Capital lease obligations

The Company has capital lease obligations, which have terms of two to four years and bear interest at 1.4% to 7.2% per annum. Minimum annual lease payments are as follows:

Oct 2009 to Sept 2010	$482
Oct 2010 to Sept 2011	282
Oct 2011 to Sept 2012	74
Oct 2012 to Sept 2013	4
	$842

(d) Deferred finance charges

	BALANCE AS AT	
	September 30, 2009	December 31, 2008
Balance, beginning of period	$ 699	$1,059
Additions	75	–
Amortization[1]	(279)	(360)
Balance, end of period	$ 495	$ 699

[1] Included in interest expense in the consolidated statements of income and comprehensive income.

10. Equity Instruments

(a) Authorized

An unlimited number of voting common shares.

(b) Issued

	BALANCE AS AT			
	September 30, 2009		December 31, 2008	
Common shares	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	41,958	$70,518	41,579	$69,180
Cancellation of shares issued as retention bonuses	–	–	(1)	(5)
Reclassification to common shares on share purchase loan forgiveness and bonus shares release from escrow	–	–	–	252
Exercise of stock options – cash consideration	–	–	268	349
Exercise of stock options – reclassification of contributed surplus	–	–	–	136
Repurchase for cancellation	–	–	(36)	(59)
Conversion of convertible debentures	–	–	148	665
Balance, end of period	41,958	$70,518	41,958	$70,518

(c) Contributed surplus

	BALANCE AS AT	
	September 30, 2009	December 31, 2008
Balance, beginning of period	$4,955	$3,661
Stock compensation expense	491	1,073
Reclassification to common shares on exercise of options	–	(136)
Reclassification to common shares on share purchase loan forgiveness and bonus shares released from escrow	–	(252)
Equity component of convertible debentures	–	609
Balance, end of period	$5,446	$4,955

(d) Stock options

The Company has established a stock option plan whereby the Company may grant options to purchase common shares to directors, officers, employees and consultants. The options have a five-year term and are exercisable pursuant to a vesting schedule of one-third following the first anniversary of the grant date, one-third following the second anniversary of the grant date, and the remaining one-third following the third anniversary of the grant date. 4,196,009 common shares of the Company have been reserved under the Plan.

The following is a continuity of stock options outstanding for which shares have been reserved:

	NUMBER OF OPTIONS	OPTION PRICE	WEIGHTED AVERAGE PRICE
Options outstanding, December 31, 2007	2,743	$1.00-$6.10	$3.19
Granted	516	$1.30-$2.39	$1.34
Exercised	(268)	$1.20-$1.69	$1.30
Forfeited	(504)	$1.00-$6.10	$3.74
Options outstanding, December 31, 2008	2,487	$1.00-$6.10	$2.90
Forfeited[1]	(400)	$1.00-$6.10	$2.60
Options outstanding, September 30, 2009	2,087	$1.00-$6.10	$2.95

[1] Includes 40,000 options held by an officer and a former officer and 30,000 held by a director

Stocks options which were outstanding and vested as at September 30, 2009, are summarized as follows:

OPTIONS OUTSTANDING	OPTION PRICE	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF OPTIONS CURRENTLY EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE OF OPTIONS CURRENTLY EXERCISABLE
950	$1.00-$2.39	$1.32	2.18	646	$1.32
576	$2.40-$4.29	$3.25	1.93	467	$3.23
561	$4.30-$6.10	$5.42	1.72	561	$5.42
2,087	$1.00-$6.10	$2.95	1.99	1,674	$3.23

(e) Net income (loss) per share

The following table summarizes the computation of net income (loss) per share:

	FOR THE THREE MONTHS ENDED SEP 30		FOR THE NINE MONTHS ENDED SEP 30	
	2009	2008	2009	2008
Numerator				
Net income (loss)	$ (1,245)	$ (2,381)	$ 1,094	$ 1,014
Net income (loss) for diluted earnings per share	$ (1,245)	$ (2,381)	$ 1,094	$ 1,014
Denominator				
Weighted average number of shares outstanding for basic earnings per share	41,958	41,820	41,958	41,740
Weighted average number of shares outstanding for diluted earnings per share	41,958	41,820	41,958	41,740
Basic net income (loss) per share	$ (0.03)	$ (0.06)	$ 0.03	$ 0.02
Diluted net income (loss) per share	$ (0.03)	$ (0.06)	$ 0.03	$ 0.02

(1) For diluted net income (loss) per share, conversion or exercise is assumed only if the effect is dilutive. For the three and nine months ended September 30, 2009, options to purchase 2,087,000 (2008 – 2,562,000) common shares have been excluded from the calculations of diluted net income (loss) per share as they were out of the money for the entire period.

11. Management of Capital

The Company's objectives when managing capital are to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk levels and to manage capital in a manner which balances the interests of equity and debt holders.

In the management of capital, the Company includes the following in the definition of capital:

- shareholders' equity
- long-term debt obligations, including the current portion

The Company manages its capital structure and makes adjustments to it 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 new shares, issue new debt, and/or issue new debt to replace existing debt with different characteristics.

Managing its capital, the Company monitors its funded debt to equity ratio. Funded debt to equity is a non-GAAP measure and therefore is unlikely to be comparable to similar measures of other companies. The ratio is calculated by taking the sum of interest-bearing long-term debt obligations and long-term debt obligations maturing within one year divided by shareholders' equity as presented on the Company's consolidated balance sheets.

The Company's strategy is to maintain the targets set out in the following table but in reaction to the current economic environment, the Company will target its funded debt to equity at the lower end of the range to ensure adequate financial flexibility to meet the financial obligations, both current and long term. The Company believes that these ratios remain in a range that will continue provide access to capital at a reasonable cost.

Total funded debt to equity ratio at September 30, 2009 is below the Company's target due to the accelerated payments required by its lenders.

		BALANCE AS AT SEPT 30, 2009	BALANCE AS AT DEC 31, 2008
Components of funded debt to equity ratio			
Current portion of long-term funded debt obligations		$ 12,802	$ 14,622
Long-term funded debt obligations		22,449	33,463
Total funded debt		35,251	48,085
Shareholders' equity		$113,558	$111,973
	Company Target		
Total funded debt to equity	35% to 55%	31%	43%

12. Statement of Cash Flows

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2009	2008	2009	2008
Interest and income taxes paid				
Income taxes paid (net of refunds received)	$ 27	$ 2,344	$ (765)	$ 7,673
Interest paid (net of interest revenue)	$ 608	$ 1,127	$ 1,495	$ 3,407
Changes in non-cash working capital balances				
Funds held in trust	$ 7	$ –	$ 14	$ 678
Accounts receivable	(957)	620	10,800	5,602
Income taxes receivable	(4,425)	(528)	(4,366)	(843)
Prepaid expenses, supplies and deposits	127	(27)	917	(138)
Accounts payable and accrued liabilities	(1,346)	(10,738)	(8,560)	(12,522)
Income taxes payable	(543)	(614)	–	(6,310)
Deferred revenue	(792)	(524)	(7,976)	464
	$(7,929)	$(11,811)	$ (9,171)	$(13,069)
Changes in non-cash working capital balances related to operating activities	$(6,733)	$ (1,826)	$ (4,875)	$ (3,555)
Changes in non-cash working capital balances related to investing activities	(1,196)	(9,985)	(4,296)	(9,514)
	$(7,929)	$(11,811)	$ (9,171)	$(13,069)

During the nine months ended September 30, 2009, the Company recorded capital lease additions of $83,000 (2008 – $418,000). At September 30, 2009, the Company held $134,000 (2008 – $451,000) of cash and cash equivalents which were denominated in a foreign currency.

13. Related Party Transactions

Except as disclosed elsewhere, the Company had the following related party transactions:

(a) During the nine months ended September 30, 2009, the Company paid $46,000 (2008 – $54,000) in seismic consulting fees and brokerage commissions to a company controlled by a director. Included in accounts payable as at September 30, 2009 was $30,000 (December 31, 2008 – $nil) related to these consulting fees and commissions.

(b) During the nine months ended September 30, 2009, the Company paid $118,000 (2008 – $59,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at September 30, 2009 was $199,000 (December 31, 2008 – $22,000) related to these legal fees.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

14. Financial Instruments and Risk Management

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to industry credit and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. The carrying amounts of the Company's monetary assets and liabilities approximate their fair values. The Company's risk exposures and the impact on the financial instruments are as follows:

(a) Credit risk

Credit risk is the risk that the counterparty to a financial asset will default resulting in the Company incurring a financial loss. The Company is exposed to credit risk through its accounts receivable and unbilled revenue. To mitigate this risk, the Company routinely monitors the activities and balances in these accounts.

A significant portion of the Company's trade accounts receivable are from companies in the oil and gas industry and are exposed to normal industry credit risks. The concentration risk is mitigated primarily by the customers being large investment grade organizations. The credit worthiness of new customers is subject to review by management through consideration of the type of customer and the size of the contract. For the nine months ended September 30, 2009, 36% of the Company's revenue was derived from five customers with sales related to contracts for seismic data and processing. As at September 30, 2009, these customers accounted for 48% of the Company's total accounts receivable.

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 collectible. 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. Bad debt expense is charged to net income in the period that the account is determined to be doubtful. Estimates of the allowance for doubtful accounts are determined on a customer-by-customer evaluation of collectibility at each reporting date taking into consideration the following factors: the length of time the receivable has been outstanding, specific knowledge of each customer's financial condition and historical experience. The carrying amount of accounts receivable represents the maximum credit exposure.

The aging of trade receivables is illustrated below:

	BALANCE AS AT			
	September 30, 2009		December 31, 2008	
	Gross	Allowance	Gross	Allowance
Not past due	$ 2,556	$ –	$11,329	$ –
Past due 0-30 days	1,392	–	2,731	–
Past due 31-120 days	1,453	–	2,547	–
More than 121 days	9,230	302	4,346	517
Total trade receivables	$14,631	$302	$20,953	$517
Accrued receivables	2,729	–	7,422	–
Allowance for doubtful accounts	(302)	–	(517)	–
Total accounts receivable	$17,058	$302	$27,858	$517

(b) Interest rate risk

The Company's short-term borrowings are based on floating rates and are subject to interest rate cash flow risk as the required cash flows to service the debt will fluctuate as a result of changes in market rates. Interest on fixed rate debt ranges from 1.4% to 7.2%. If these transactions were entered into today, the interest expense would not be materially different.

The sensitivity analysis includes items bearing interest at variable rates and indicates that a 100 basis point fluctuation in interest rates would have approximately a $357,000 impact on net income for the year ended 2009 (on a pre-tax, annualized basis). The Company does not use derivative financial instruments to reduce its interest risk exposure. The carrying amounts of the Company's term debt approximate its fair values.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. As at September 30, 2009, the Company had a cash and cash equivalents balance of $1.4 million, $17.1 million in accounts receivable and $1.7 million in unused committed bank credit facilities until January 1, 2010 (term facilities cannot be redrawn upon) totalling $20.2 million to settle current liabilities of $31.5 million (excluding deferred revenue of $3.1 million). To manage liquidity risk, the Company utilizes long and short-term cash forecasts to ensure it has necessary funds to fulfill its obligations. Management is reviewing additional sources of capital and alternative replacement debt structures to continue its activities and discharge its commitments as they become due. The Company may consider disposing of certain assets and has implemented considerable expense reductions. Management believes that the liquidity risk is acceptable given historical operating results and the value of the underlying assets. The Company has reduced its total debt by $13 million since the end of 2008 and it will remain committed to not undertaking any significant capital expenditure unless the project is fully funded with sales contracts or until its working capital position has further improved.

The following table summarizes the maturities of financial liabilities and associated interest payments as at September 30, 2009:

	< 1 Year	1-2 Years	2-5 Years	Total
Accounts payable and accrued liabilities	$18,675	$ –	$ –	$18,675
Long-term debt obligations[(1)]	12,802	6,042	16,902	35,746
Total	$31,477	$6,042	$16,902	$54,421

(1) Excludes deferred finance charges of $495,000.

15. Segmented Information

The Company is an oil and gas services company offering products and services to customers in the oil and gas exploration and production industry. The Company's products and services are offered through four segments: Software, Services, Data, and Consulting. In addition, the Company reports its overhead activities through its Corporate and Other segment. Before the disposition of the assets of its wholly-owned U.S. subsidiary, the Company operated in two geographic locations – Canada and the United States.

Software sells, maintains and supports licensed software exploration products. Services provides seismic survey audit and processing as well as mapping and geophysical/geological services. Data provides a full suite of support data layers and seismic brokerage services as well as develops and maintains the Company's seismic data libraries. Consulting offers business solutions ranging from business consulting services, ERP systems implementations and CRM systems implementations, to custom software development, hardware devices, network infrastructure and land management services. Corporate and Other includes costs for finance, accounting, marketing, human resources, investor relations and information technology.

The accounting policies of the segments are the same as those described in significant accounting policies in the Company's audited consolidated financial statements as at and for the year ended December 31, 2008. Inter-segment sales and transfers, which are accounted for at market value, are eliminated on consolidation. Operating income (loss) is measured as revenue less operating expenses, interest and depreciation and amortization. Other income (loss) items and income taxes reported on the Company's consolidated statements of income and comprehensive income are not allocated to the reportable segments.

Note that certain comparative figures have been reclassified to conform to current year's presentation.

	AS AT AND FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009					
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$ 1,785	$ 1,773	$ 8,574	$ 1,279	$ –	$ 13,411
Inter-segment revenue	–	–	–	–	–	–
Operating income (loss)[(1)]	557	(1,043)	390	(147)	(2,497)	(2,740)
Interest expense (net of interest revenue)	6	–	1	–	669	676
Depreciation and amortization	486	563	6,671	72	175	7,967
Total assets	14,310	9,273	157,737	1,740	1,124	184,184
Capital expenditures	8	15	71	–	11	105
Deferred development costs	365	68	37	–	–	470

	AS AT AND FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008					
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	$ 1,937	$ 4,059	$ 9,360	$ 2,978	$ –	$ 18,334
Inter-segment revenue	–	317	–	–	–	317
Operating income (loss)[(1)]	297	(208)	1,852	(270)	(3,687)	(2,016)
Interest expense (net of interest revenue)	–	–	–	(4)	1,256	1,252
Depreciation and amortization	432	603	5,375	343	139	6,892
Total assets	12,178	21,302	177,554	10,660	1,546	223,240
Goodwill	1,266	4,652	–	4,172	–	10,090
Capital expenditures	12	23	2	–	14	51
Deferred development costs	450	234	(18)	–	–	666

	AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009					
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue from external customers	$ 5,378	$10,807	$ 30,240	$5,282	$ –	$ 51,707
Inter-segment revenue	–	688	–	–	–	688
Operating income (loss)[(1)]	1,349	(148)	3,141	(292)	(9,222)	(5,172)
Interest expense (net of interest revenue)	17	–	21	(1)	2,431	2,468
Depreciation and amortization	1,388	1,816	22,755	358	1,125	27,442
Total assets	14,310	9,273	157,737	1,740	1,124	184,184
Capital expenditures	223	445	3,131	–	310	4,109
Deferred development costs	1,013	298	170	–	–	1,481

AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue from external customers	$ 6,082	$14,074	$ 45,037	$ 9,371	$ –	$ 74,564
Inter-segment revenue	–	1,455	–	–	–	1,455
Operating income (loss)[1]	925	(142)	13,823	(981)	(10,519)	3,106
Interest expense (net of interest revenue)	–	–	(11)	(18)	3,814	3,785
Depreciation and amortization	1,289	1,796	23,999	1,023	356	28,463
Total assets	12,178	21,302	177,554	10,660	1,546	223,240
Goodwill	1,266	4,652	–	4,172	–	10,090
Capital expenditures	57	113	23,909	–	79	24,158
Deferred development costs	1,129	738	–	–	–	1,867

AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009			
	Canada	U.S.	Total
Revenue (three months ended September 30, 2009)	$ 13,411	$ –	$ 13,411
Revenue	51,707	–	51,707
Data libraries, participation surveys in progress, property and equipment and intangible assets	152,274	–	152,274

AS AT AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008			
	Canada	U.S.	Total
Revenue (three months ended September 30, 2008)	$ 17,882	$ 452	$ 18,334
Revenue	73,298	1,266	74,564
Data libraries, participation surveys in progress, property and equipment, intangible assets and goodwill	190,876	–	190,876

(1) Operating income (loss) is revenue less operating expenses, interest, and depreciation and amortization.

16. Contingencies

The Company is party to various legal actions arising in the normal course of business. Matters that are probable of unfavorable outcome to the Company and that can be reasonably estimated are accrued. Such accruals are based on information known about the matters, the Company's estimates of the outcomes of such matters 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.

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M. Scott Ratushny [2,4]
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Brent Gough [2,3,4]
Wade Brillon

[1] Chairman of the Board
[2] Member of the Audit Committee
[3] Member of the Compensation Committee
[4] Member of the Corporate Governance Committee

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Roderick Chisholm – Chief Financial Officer

Steve Sinclair-Smith – Chief Operating Officer

Lonn Hornsby – Senior VP Operations – Divestco Seismic Limited Partnership

Danny Chiarastella – VP Finance

Mathew Hepton – VP Software Development

Oliver Kuhn – VP Processing

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Corporate Secretary

Faralee A. Chanin

Stock Exchange Listing

TSX: DVT

Lending Institutions

Wells Fargo Financial Corporation Canada

Registrar and Transfer Agent

CIBC Mellon Company

Auditors

KPMG LLP

Legal Counsel

Field LLP

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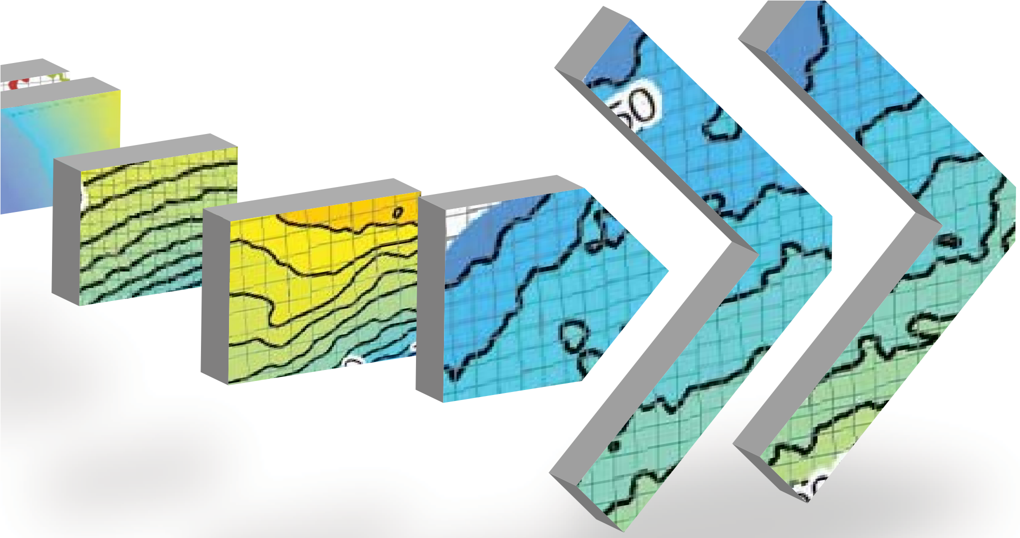

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