



PRESS RELEASE

DIVESTCO REPORTS 2010 Q1 RESULTS

May 12, 2010, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) is pleased to announce its operating results for the three months ended March 31, 2010.

During the first quarter of 2010, Divestco generated revenue of \$13.7 million, a decrease of \$5.1 million (27%) from \$18.8 million for the same period in 2009. EBITDA was \$5.2 million, a \$3 million (36%) decrease from \$8.2 million for the same period in 2009. The Company had funds from operations of \$3.1 million (7 cents per share – basic and diluted) for the first quarter of 2010, a decrease of \$4.3 million (58%) as compared to \$7.4 million (18 cents per share – basic and diluted) for the same period in 2009.

Divestco had a net loss for the first quarter of 2010 of \$3 million (7 cents per share – basic and diluted) compared to net income of \$0.8 million (2 cents per share – basic and diluted) for the same period in 2009, a \$3.8 million decrease.

Divestco generated \$3.2 million in seismic data library data (inventory) sales during the first quarter of 2010, an increase of \$2.2 million (218%) compared to \$1 million for the same period in 2009. Seismic participation revenue for Q1 2010 was \$2 million compared to 5.7 million for Q1 2009, a decrease of 3.7 million (66%). Seismic brokerage revenue was \$703,000 in Q1 2010 compared to \$246,000 in Q1 2009, an increase of \$457,000 (185%).

Excluding the current portion of deferred revenue of \$3.2 million (December 31, 2009 – \$5.5 million; March 31, 2009 – \$4.1 million), Divestco ended Q1 2010 with a \$7.7 million working capital deficiency compared to a \$6.3 million deficiency at the end of 2009 and \$18.1 million deficiency at the end of Q1 2009. Overall, the Company’s total funded debt was reduced by \$0.6 million (current and long-term portions) during the first quarter of 2010 and \$15.6 million since the end of Q1 2009.

Although the Company’s results continue to be affected by the worldwide economic recession and low natural gas prices, Divestco remains cash flow positive. During this time of uncertainty, Management was quick to act with austerity measures that reflected the new economic reality and reduced operating expenses by \$2.1 million (20%) in Q1 2010 compared to Q1 2009 and by \$14.5 million (28%) in fiscal 2009 compared to fiscal 2008. Despite uncertainty in commodity prices, Divestco is seeing a modest trend of increased customer spending and, in conjunction with the recently announced adjustments to the Alberta New Royalty Framework, Management is cautiously optimistic in the near to medium term.

The Company has a history of profitable operations and generating positive funds from operations. Remaining cash flow positive during Q1 2010 and fiscal 2009 is a testament to the

quality of the Company's products and services and bodes well for the Company as it makes its way out of this recession. Divestco plans to continue to strengthen its balance sheet and eliminate its working capital deficit. The Company remains committed to a strategy of strict debt management, restricted capital spending and reducing expenses.

Non-GAAP Measures

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

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

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

EBITDA and Cash EBITDA are calculated as follows:

(Thousands)	Three Months Ended March	
	2010	2009
Net Income (Loss)	\$ (3,043)	\$ 781
Income Tax Expense (Reduction)	(1,443)	(581)
Other Income	80	4,450
Operating Loss	\$ (4,566)	\$ (4,250)
Interest	569	901
Depreciation and Amortization	9,236	11,501
EBITDA	5,239	8,152
Less: seismic participation revenue	(1,970)	(5,733)
Cash EBITDA	\$ 3,269	\$ 2,419

For Q1 2010, the company generated \$3.3 million in cash EBITDA, a \$0.9 million (35%) increase from the \$2.4 million generated for Q1 2009.

Divestco reports funds from operations because it is a key measure used by management to evaluate its performance and to assess the ability of the Company to finance operating activities

and capital expenditures. Funds from operations excludes certain working capital changes and other sources and uses of cash, which are disclosed in the Consolidated Statements of Cash Flows.

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

Funds from operations is calculated as follows:

(Thousands)	Three Months Ended March	
	2010	2009
Cash Flows from Operating Activities	\$ 3,803	\$ 3,835
Changes in Non-Cash Working Capital Balances	(581)	3,329
Increase (Decrease) in non-current deferred revenue	-	263
Decrease in Long-Term Prepaid Expense	(79)	-
Funds from Operations	\$ 3,143	\$ 7,427

Financial Highlights

Financial Results (Thousands, Except Per Share Amounts)			
	Three Months Ended March		
	2010	2009	% Change
Revenue	\$ 13,741	\$ 18,765	-27%
Operating Expenses	8,502	10,613	-20%
EBITDA	5,239	8,152	-36%
Interest	569	901	-37%
Depreciation and Amortization	9,236	11,501	-20%
Operating Loss	(4,566)	(4,250)	N/A
Other Income	80	4,450	-98%
Income Tax Expense (Reduction)	(1,443)	(581)	N/A
Net Income (Loss)	\$ (3,043)	\$ 781	N/A
Per Share - Basic	(0.07)	0.02	N/A
Per Share - Diluted	(0.07)	0.02	N/A
Funds from Operations	\$ 3,143	\$ 7,427	-58%
Per Share - Basic	0.07	0.18	-61%
Per Share - Diluted	0.07	0.18	-61%
Shares Outstanding	41,958	41,958	0%
Weighted Average Shares Outstanding			
Basic	41,958	41,932	0%
Diluted	41,958	41,932	0%
Cash EBITDA	\$ 3,269	\$ 2,419	35%

Segment Review Summary

For the three months ended March 31, 2010 (Thousands)					
	Software	Services	Data	Corporate & Other	Total
Revenue	\$ 2,420	\$ 5,492	\$ 5,829	\$ -	\$ 13,741
EBITDA	927	1,371	4,701	(1,760)	5,239
Interest (Net of Interest Revenue)	-	-	-	569	569
Depreciation and Amortization	735	529	7,679	293	9,236
Operating Income (Loss)	192	842	(2,978)	(2,622)	(4,566)

For the three months ended March 31, 2009 (Thousands)					
	Software	Services	Data	Corporate & Other	Total
Revenue	\$ 2,865	\$ 8,928	\$ 6,972	\$ -	\$ 18,765
EBITDA	1,010	2,815	6,400	(2,073)	8,152
Interest (Net of Interest Revenue)	-	(1)	37	865	901
Depreciation and Amortization	554	847	9,647	453	11,501
Operating Income (Loss)	456	1,969	(3,284)	(3,391)	(4,250)

Divestco Inc.
Consolidated Balance Sheets

As at	Mar 31, 2010	Dec 31, 2009
(Thousands - Unaudited)		
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,543	\$ 768
Funds held in trust	21	17
Accounts receivable	15,714	19,267
Prepaid expenses, supplies and deposits	781	708
Income taxes receivable	717	391
	18,776	21,151
Long-term prepaid expense	767	846
Investment in affiliated company	91	88
Data libraries	135,265	138,712
Participation surveys in progress	153	2,186
Property and equipment	2,619	2,747
Deferred development costs	6,658	6,699
Intangible assets	3,324	3,494
	\$ 167,653	\$ 175,923
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 20,215	\$ 21,184
Current portion of deferred revenue	3,190	5,543
Current portion of long-term debt obligations	6,246	6,217
	29,651	32,944
Deferred revenue	-	-
Long-term debt obligations	20,069	20,685
Convertible Debentures	3,621	3,602
Future income taxes	10,930	12,342
	64,271	69,573
Shareholders' Equity		
Equity instruments	70,518	70,518
Contributed surplus	5,548	5,473
Equity portion of convertible debentures	56	56
Retained earnings	27,260	30,303
	103,382	106,350
	\$ 167,653	\$ 175,923

Divestco Inc.

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

For the three months ended March 31	2010	2009
(Thousands, Except Per Share Amounts - Unaudited)		
Revenue	\$ 13,741	\$ 18,765
Operating expenses		
Salaries and benefits	5,105	7,069
General and administrative	3,322	3,316
Stock compensation expense	75	228
	8,502	10,613
Interest expense	569	901
Depreciation and amortization	9,236	11,501
Other income	80	4,450
Income (loss) before income taxes	(4,486)	200
Income taxes		
Current (recovery)	(31)	142
Future (reduction)	(1,412)	(723)
	(1,443)	(581)
Net income (loss) and comprehensive income (loss) for the period	(3,043)	781
Retained earnings, beginning of period	30,303	36,500
Retained earnings, end of period	\$ 27,260	\$ 37,281
Net income (loss) per share		
Basic and Diluted	\$ (0.07)	\$ 0.02
Weighted average number of shares		
Basic and Diluted	41,958	41,932

Divestco Inc.
Consolidated Statements of Cash Flows

For the three months ended March 31	2010	2009
(Thousands)		
Cash flows from operating activities		
Net income (loss) for the period	\$ (3,043)	\$ 781
Items not affecting cash:		
Equity investment gain	(3)	(3)
Depreciation and amortization of data libraries, property and equipment and intangible assets	8,662	11,052
Amortization of deferred development costs	574	449
Amortization of deferred finance costs	61	78
Amortization of deferred finance costs and accretion of liability portion of convertible debentures	19	-
Future income taxes (reduction)	(1,412)	(723)
Data exchanges	(1,700)	-
Gain on sale of property and equipment	(90)	(4,435)
Stock compensation expense	75	228
	3,143	7,427
Changes in non-cash working capital balances	581	(3,329)
Increase (Decrease) in non-current deferred revenue	-	(263)
Decrease in long-term prepaid expense	79	-
	3,803	3,835
Cash flows from (used in) financing activities		
Repayment of long-term debt obligations	(1,568)	(2,954)
Proceeds received from long-term debt obligations (net of committed revolver repayments)	712	(3,515)
	(856)	(6,469)
Cash flows from (used in) investing activities		
Purchase of data libraries	(2,624)	(8,863)
Decrease in participation surveys in progress	2,033	4,499
Purchase of property and equipment	(388)	(62)
Proceeds on sale of property and equipment	93	3,340
Deferred development costs	(533)	(547)
Changes in non-cash working capital balances	(753)	2,947
	(2,172)	1,314
Foreign exchange gain on cash held in a foreign currency	-	1
Increase (decrease) in cash and cash equivalents	775	(1,319)
Cash and cash equivalents, beginning of period	768	1,811
Cash and cash equivalents, end of period	\$ 1,543	\$ 492

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. Divestco is headquartered in Calgary, Alberta, Canada and trades on the Toronto Stock Exchange under the symbol "DVT".

For more information please contact:

Divestco Inc.

(www.divestco.com)

Mr. Stephen Popadynetz
Chief Executive Officer
Tel 403-218-6466

Mr. Roderick Chisholm
Chief Financial Officer
Tel 403-218-6450

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

This press release 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 press release 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 press release are expressly qualified, in their entirety, by this cautionary statement.

In particular, this press release contains forward-looking statements pertaining to the following: the 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.

These forward-looking statements are based upon assumptions including: that 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; that 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 condition; 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; and government actions including changes in environment and other regulations.