



## PRESS RELEASE

### DIVESTCO REPORTS 2008 ANNUAL AND Q4 RESULTS

March 30, 2009, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) announces its operating results for the three months and year ended December 31, 2008. Notwithstanding the current world-wide economic recession, credit crisis and lower natural gas and oil prices, Divestco is pleased with its adjusted 2008 results.

The Company’s fourth quarter 2008 results included certain one-time charges related to the substantial decline in global equity markets, commodity prices, and oil and gas industry activity. These items are comprised of the following items:

- \$10.1 million non-cash impairment of goodwill (\$9.6 million net of tax of \$0.5 million - \$0.23 per share (basic and diluted)).
- \$5.4 million related to a change made by Divestco to the estimated useful life of its customer-related intangible assets effective October 1, 2008 (\$3.8 million, net of tax of \$1.6 million - \$0.09 per share (basic and diluted)). This is a prospective change under Canadian GAAP.
- \$3.7 million non-cash intangible asset impairment (\$2.6 million net of tax of \$1.1 million - \$0.06 per share (basic and diluted)).
- \$0.5 million in severance costs (\$0.4 million net of tax of \$0.1 million - \$0.01 per share (basic and diluted)).

Adjusted net income is summarized as follows:

	Three Months Ended Dec 31			Year Ended Dec 31		
	2008	2007	\$ Change	2008	2007	\$ Change
Net Income (Loss)	\$ (10,277)	\$ 5,116	\$ (15,393)	\$ (9,263)	\$ 17,541	\$ (26,804)
Severance Costs (Net of Tax of \$0.1 million)	376	-	376	376	-	376
Impairment of Goodwill (Net of Tax of \$0.5 million)	9,586	-	9,586	9,586	-	9,586
Impairment of Intangibles (Net of Tax of \$1.1 million)	2,601	-	2,601	2,601	-	2,601
Adjustment to Amortization of Intangibles (Net of Tax of \$1.6 million)	3,775	-	3,775	3,775	-	3,775
Adjusted Net Income	\$ 6,061	\$ 5,116	\$ 945	\$ 7,075	\$ 17,541	\$ (10,466)
Per Share - Basic	\$ 0.14	\$ 0.12	\$ 0.02	\$ 0.17	\$ 0.45	\$ (0.28)
Per Share - Diluted	\$ 0.14	\$ 0.12	\$ 0.03	\$ 0.17	\$ 0.42	\$ (0.25)

Fourth-quarter 2008 adjusted earnings were \$6.1 million or \$0.14 per share. This compares with fourth-quarter 2007 earnings of \$5.1 million, or \$0.12 per share (there were no normalization adjustments in 2007).

Divestco's net loss for the fourth quarter of 2008 was \$10.3 million (25 cent loss per share – basic and diluted) compared to net income of \$5.1 million (12 cents per share (basic and diluted)) for the same period in 2007.

The Company had adjusted net income of \$7.1 million (17 cents per share – basic and diluted) for fiscal 2008. Taking into account severance costs, impairment charges and the amortization change, the Company had a net loss of \$9.3 million for fiscal 2008 (22 cents per share – basic and diluted) compared to net income of \$17.5 million (42 cents per share – diluted) in 2007. This was a \$26.8 million decrease over fiscal 2007.

During the fourth quarter Divestco generated revenue of \$28.4 million, a decrease of \$7.1 million (20%) from \$35.5 million for the same period in 2007. Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$16 million, a \$5.8 million (26%) decrease over the same period in 2007. The Company generated funds from operations of \$14.9 million (\$0.36 per share – basic and diluted) for the fourth quarter, a decrease of \$0.2 million (1%) as compared to \$15.1 million (\$0.34 per share – diluted) for the same period in 2007.

Divestco generated revenue of \$103 million for fiscal 2008, a decrease of \$13.1 million (11%) from \$116.1 million for the same period in 2007. EBITDA was \$51.4 million, a \$10.3 million (17%) decrease over the same period in 2007. From a Cash EBITDA perspective the Company generated \$38.3 million in 2008, a decrease of \$1.2 million (3%) from \$39.5 million for same period in 2007. The Company generated funds from operations of \$47.4 million for the year, an increase of \$11.8 million (33%) as compared to \$35.6 million for fiscal 2007.

The Company has been proactive in addressing labour costs, our largest expense. Regretfully, Divestco conducted two tranches of staff reductions in fiscal 2008 and, additionally, implemented a company wide salary roll-back and unpaid leaves of absences effective April 1, 2009. The Company believes its proactive approach will result in reduced debt, improved liquidity and profitability during these uncertain times, as well as provide an increased upside when business levels return.

The Company has a history of profitable operations, positive EBITDA and funds from operations and has significantly improved its working capital deficit and reduced its funded debt load over the past year. Divestco continues to see a pent-up demand for seismic data as well as a significant number of business opportunities. 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 Company's assets provide excellent exposure to some of the largest resource plays in Western Canada, including approximately 12,000 kilometers of 2D data and 8,000 square kilometers of 3D data over the prospective Montney depositional fairway and approximately 3,800 kilometers of 2D data and 1,000 square kilometers of 3D data over the Horn River Basin. Although the industry is forecasting a rebound in 2010, management believes the proactive measures it has implemented will allow it to navigate any economic uncertainty that could extend past December 31, 2009. In light of a potential prolonged downturn in the service industry and as previously announced, Divestco is committed to a strategy of debt reduction, non-core asset dispositions, restricted capital spending and reduced expenses.

In terms of aggregate data library (inventory) sales, Divestco generated \$14.7 million in sales for the fourth quarter of 2008. This represents an increase of \$4.5 million (45%) compared to \$10.1 million of aggregate library sales for the same period in 2007. Seismic participation revenue for the fourth quarter of 2008 was \$0.3 million, compared to \$12.2 million for Q4 2007.

For the year ended December 31, 2008, the Company generated data library sales totaling approximately \$44.7 million. This represents a decrease of \$2.9 million (6%) compared to \$47.6 million of aggregate library sales for the same period in 2007. Seismic participation revenue for the year ended December 31, 2008, was \$13.1 million compared to \$22.1 million in 2007, a decrease of \$9 million (41%).

Excluding the current portion of deferred revenue of \$11.2 million (2007 – \$4.4 million), Divestco exited 2008 with a \$9.8 million working capital deficiency compared to a \$28.1 million deficiency at the end of 2007.

Divestco also announces that effective December 19, 2008, Mr. Terry Barnhart, President, resigned from the Company to pursue other opportunities. Divestco would like to thank Mr. Barnhart for all of his efforts and contributions during his time with the Company and wish him the best in his future endeavours. Going forward, Stephen Popadynetz, Chief Executive Officer, will assume the combined role of President and CEO.

Mr. Stephen Popadynetz, CEO of Divestco commented: “2008 has been an incredibly challenging time globally and for the entire oil and gas service industry. With the effects of the global and regional economic crisis, the oil and gas service industry is experiencing far from normal activity levels. In light of a prolonged slowdown in the service industry, global market collapse and credit crisis, Divestco’s Management and Board has continued to react proactively with an aggressive debt reduction strategy that includes:

- non-core asset dispositions
- only essential capital spending
- focus on expense reductions

It is difficult to predict the duration and overall affect of the current economic uncertainty, however we believe we will be well positioned when favorable market conditions return. I look forward to Divestco’s future growth during the next positive market cycle and believe our strategies will produce positive returns for our shareholders.”

## Non-GAAP Measures

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

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

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

EBITDA and Cash EBITDA are calculated as follows:

(Thousands)	Three Months Ended Dec 31		Year ended Dec 31	
	2008	2007	2008	2007
<b>Net Income (Loss)</b>	\$ (10,277)	\$ 5,116	\$ (9,263)	\$ 17,541
Income Tax Expense	(1,932)	(209)	(1,339)	5,768
Other Income (Loss) <sup>(1)</sup>	(103)	(30)	(1,602)	(260)
<b>Operating Income (Loss)</b>	\$ (12,106)	\$ 4,937	\$ (9,000)	\$ 23,569
Interest	1,627	1,075	5,412	3,684
Depreciation and Amortization	12,746	15,743	41,209	34,424
Impairment of goodwill and intangible assets	13,779	-	13,779	-
<b>EBITDA</b>	\$ 16,046	\$ 21,755	\$ 51,400	\$ 61,677
Less: seismic participation revenue	\$ (293)	\$ (12,240)	\$ (13,064)	\$ (22,130)
<b>Cash EBITDA</b>	\$ 15,753	\$ 9,515	\$ 38,336	\$ 39,547

On a trailing twelve-month basis exiting 2008, the company generated \$38.3 million in Cash EBITDA, a \$1.2 million (3%) decrease from the \$39.5 million generated exiting 2007.

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

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

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

Funds from operations is calculated as follows:

(Thousands)	Three Months Ended Dec 31		Year ended Dec 31	
	2008	2007	2008	2007
<b>Cash Flows from Operating Activities</b>	\$ 14,393	\$ 13,869	\$ 42,786	\$ 22,571
Changes in Non-Cash Working Capital Balances	761	672	4,316	13,870
Increase (Decrease) in Non-Current Deferred Revenue	(249)	691	267	(270)
Decrease in Long-Term Accounts Receivable	-	(140)	-	(560)
<b>Funds from Operations</b>	<b>\$ 14,905</b>	<b>\$ 15,092</b>	<b>\$ 47,369</b>	<b>\$ 35,611</b>

## Financial Highlights

Financial Results (Thousands, Except Per Share Amounts)						
	Three Months Ended Dec 31			Year Ended Dec 31		
	2008	2007	% Change	2008	2007	% Change
Revenue	\$ 28,404	\$ 35,528	-20%	\$ 102,967	\$ 116,070	-11%
Operating Expenses	12,358	13,773	-10%	51,567	54,393	-5%
EBITDA	16,046	21,755	-26%	51,400	61,677	-17%
Interest	1,627	1,075	51%	5,412	3,684	47%
Depreciation and Amortization	12,746	15,743	-19%	41,209	34,424	20%
Impairment of goodwill and intangibles	13,779	-	N/A	13,779	-	N/A
Operating Income (Loss)	(12,106)	4,937	N/A	(9,000)	23,569	N/A
Other Income (Loss)	(103)	(30)	N/A	(1,602)	(260)	N/A
Income Tax Expense	(1,932)	(209)	N/A	(1,339)	5,768	N/A
Net Income (Loss)	\$ (10,277)	\$ 5,116	N/A	\$ (9,263)	\$ 17,541	N/A
Per Share - Basic	(0.25)	0.12	N/A	(0.22)	0.45	N/A
Per Share - Diluted	(0.25)	0.12	N/A	(0.22)	0.42	N/A
Funds from Operations	\$ 14,905	\$ 15,092	-1%	\$ 47,369	\$ 35,611	33%
Per Share - Basic	0.36	0.36	0%	1.13	0.91	24%
Per Share - Diluted	0.36	0.34	6%	1.13	0.85	33%
Shares Outstanding	41,958	41,500	1%	41,958	41,500	1%
Weighted Average Shares Outstanding						
Basic	41,848	41,471	1%	41,767	39,200	7%
Diluted	41,848	43,778	-4%	41,767	41,763	0%
Cash EBITDA	\$ 15,753	\$ 9,515	66%	\$ 38,336	\$ 39,547	-3%

## Segment Review Summary

For the three months ended December 31, 2008 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 2,274	\$ 8,194	\$ 14,961	\$ 2,975	\$ -	\$ 28,404
EBITDA	981	3,840	13,615	293	(2,683)	16,046
Interest (Net of Interest Revenue)	22	-	429	1	1,175	1,627
Depreciation and Amortization	585	1,560	7,708	2,762	131	12,746
Impairment of goodwill and intangibles	1,930	6,355	218	5,276	-	13,779
Operating Income (Loss) <sup>(1)</sup>	(1,556)	(4,075)	5,260	(7,746)	(3,989)	(12,106)

For the three months ended December 31, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 2,691	\$ 7,174	\$ 22,364	\$ 3,299	\$ -	\$ 35,528
EBITDA	1,324	2,298	20,475	41	(2,383)	21,755
Interest (Net of Interest Revenue)	-	-	131	(9)	953	1,075
Depreciation and Amortization	404	677	14,214	399	49	15,743
Impairment of goodwill and intangibles	-	-	-	-	-	-
Operating Income (Loss)	920	1,621	6,130	(349)	(3,385)	4,937

For the twelve months ended December 31, 2008 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 8,356	\$ 24,493	\$ 57,773	\$ 12,345	\$ -	\$ 102,967
EBITDA	3,195	6,272	50,647	319	(9,033)	51,400
Interest (Net of Interest Revenue)	22	-	418	(16)	4,988	5,412
Depreciation and Amortization	1,874	3,383	31,679	3,786	487	41,209
Impairment of goodwill and intangibles	1,930	6,355	218	5,276	-	13,779
Operating Income (Loss)	(631)	(3,466)	18,332	(8,727)	(14,508)	(9,000)

For the twelve months ended December 31, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 8,494	\$ 24,731	\$ 69,690	\$ 13,155	\$ -	\$ 116,070
EBITDA	3,673	4,706	61,507	1,102	(9,311)	61,677
Interest (Net of Interest Revenue)	3	-	604	(47)	3,124	3,684
Depreciation and Amortization	1,467	2,466	28,963	1,350	178	34,424
Impairment of goodwill and intangibles	-	-	-	-	-	-
Operating Income (Loss)	2,203	2,240	31,940	(201)	(12,613)	23,569

Divestco Inc.  
Consolidated Balance Sheets

As at	Dec 31, 2008	Dec 31, 2007
<b>(Thousands - Unaudited)</b>		
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,811	\$ 2,466
Funds held in trust	31	678
Accounts receivable	27,858	27,083
Prepaid expenses, supplies and deposits	2,361	1,794
Investment tax credits recoverable	59	-
	<b>32,120</b>	32,021
<b>Investment in affiliated company</b>	80	72
<b>Data libraries</b>	154,897	161,354
<b>Participation surveys in progress</b>	4,708	1,047
<b>Property and equipment</b>	4,942	5,981
<b>Deferred development costs</b>	6,201	4,736
<b>Intangible assets</b>	6,787	20,208
<b>Goodwill</b>	-	10,090
	<b>\$ 209,735</b>	\$ 235,509
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 27,235	\$ 39,391
Income taxes payable	-	7,286
Current portion of deferred revenue	11,206	4,351
Current portion of long-term debt obligations	14,622	5,889
Convertible debentures	-	7,533
	<b>53,063</b>	64,450
<b>Deferred revenue</b>	263	530
<b>Long-term debt obligations</b>	33,463	38,400
<b>Future income taxes</b>	10,973	13,406
	<b>97,762</b>	116,786
<b>Shareholders' Equity</b>		
Equity instruments	70,518	68,690
Contributed surplus	4,955	3,661
Equity portion of convertible debentures	-	609
Retained earnings	36,500	45,763
	<b>111,973</b>	118,723
	<b>\$ 209,735</b>	\$ 235,509



## Divestco Inc.

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

	For the three months ended Dec 31		For the year ended Dec 31	
	2008	2007	2008	2007
<b>(Thousands, except per share amounts - Unaudited)</b>				
<b>Revenue</b>	\$ 28,404	\$ 35,528	\$ 102,967	\$ 116,070
<b>Operating expenses</b>				
Salaries and benefits	8,327	8,591	34,381	35,008
General and administrative	3,799	4,814	16,113	17,854
Stock compensation expense	232	368	1,073	1,531
	12,358	13,773	51,567	54,393
<b>Interest expense</b>	1,627	1,075	5,412	3,684
<b>Depreciation and amortization</b>	12,746	15,743	41,209	34,424
<b>Impairment of goodwill and intangible assets</b>	13,779	-	13,779	-
<b>Other income (loss)</b>	(103)	(30)	(1,602)	(260)
<b>Income (loss) before income taxes</b>	(12,209)	4,907	(10,602)	23,309
<b>Income taxes</b>				
Current (recovery)	(158)	366	1,094	8,723
Future (reduction)	(1,774)	(575)	(2,433)	(2,955)
	(1,932)	(209)	(1,339)	5,768
<b>Net income (loss) and comprehensive income (loss) for the period</b>	(10,277)	5,116	(9,263)	17,541
Retained earnings, beginning of period	46,777	40,800	45,763	28,375
Purchase price of common shares repurchased in excess of book value	-	(153)	-	(153)
<b>Retained earnings, end of period</b>	\$ 36,500	\$ 45,763	\$ 36,500	\$ 45,763
<b>Earnings per share</b>				
Basic	\$ (0.25)	\$ 0.12	\$ (0.22)	\$ 0.45
Diluted	\$ (0.25)	\$ 0.12	\$ (0.22)	\$ 0.42
<b>Weighted average number of shares</b>				
Basic	41,848	41,471	41,767	39,200
Diluted	41,848	43,778	41,767	41,763

Divestco Inc.  
Consolidated Statements of Cash Flows

	For the three months ended Dec 31		For the year ended Dec 31	
	2008	2007	2008	2007
<b>(Thousands-Unaudited)</b>				
<b>Cash flows from operating activities</b>				
Net income (loss) for the period	\$ (10,277)	\$ 5,116	\$ (9,263)	\$ 17,541
Items not affecting cash:				
Equity investment loss	5	7	(8)	2
Depreciation and amortization of data libraries, property and equipment and intangible assets	12,484	15,543	40,221	33,686
Impairment of goodwill and intangible assets	13,779	-	13,779	-
Amortization of deferred development costs	262	200	988	738
Amortization of deferred finance costs	83	101	360	604
Accretion of liability portion of convertible debentures	111	-	609	-
Future income taxes (reduction)	(1,774)	(575)	(2,433)	(2,955)
Data exchanges (Note 5)	-	(5,683)	-	(16,328)
Loss on sale of property and equipment	-	5	1,558	172
Non-cash retention bonus	-	10	485	620
Stock compensation expense	232	368	1,073	1,531
	14,905	15,092	47,369	35,611
Changes in non-cash working capital balances	(761)	(672)	(4,316)	(13,870)
Increase (decrease) in non-current deferred revenue	249	(691)	(267)	270
Decrease in long-term accounts receivable	-	140	-	560
	14,393	13,869	42,786	22,571
<b>Cash flows from (used in) financing activities</b>				
Bank indebtedness	-	-	-	(6,451)
Advances to affiliated company	-	-	-	(6)
Issue of common shares, net of related expenses	-	58	349	2,606
Repayment of long-term debt obligations	(3,103)	(1,695)	(8,143)	(15,448)
Repayment of shareholder loans	-	-	-	-
Deferred financing costs	-	-	-	(1,340)
Proceeds received from long-term debt obligations	(5,510)	1,612	3,433	45,209
Repurchase of common shares	-	(610)	(59)	(609)
	(8,613)	(635)	(4,420)	23,961
<b>Cash flows from (used in) investing activities</b>				
Purchase of data libraries	(2,715)	(25,548)	(26,573)	(61,360)
Decrease (increase) in participation surveys in progress	(3,712)	364	(3,661)	1,722
Purchase of property and equipment	(36)	(191)	(398)	(1,374)
Acquisitions	-	(80)	-	(3,948)
Proceeds on sale of property and equipment	-	(5)	3,089	172
Deferred development costs	(586)	(669)	(2,453)	(2,597)
Changes in non-cash working capital balances	488	11,103	(9,025)	21,881
	(6,561)	(15,026)	(39,021)	(45,504)
<b>Foreign exchange (gain) loss on cash held in a foreign currency</b>	(2)	1	-	1
<b>Increase (decrease) in cash and cash equivalents</b>	(783)	(1,791)	(655)	1,029
Cash and cash equivalents, beginning of period	2,594	4,257	2,466	1,437
<b>Cash and cash equivalents, end of period</b>	\$ 1,811	\$ 2,466	\$ 1,811	\$ 2,466

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".

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