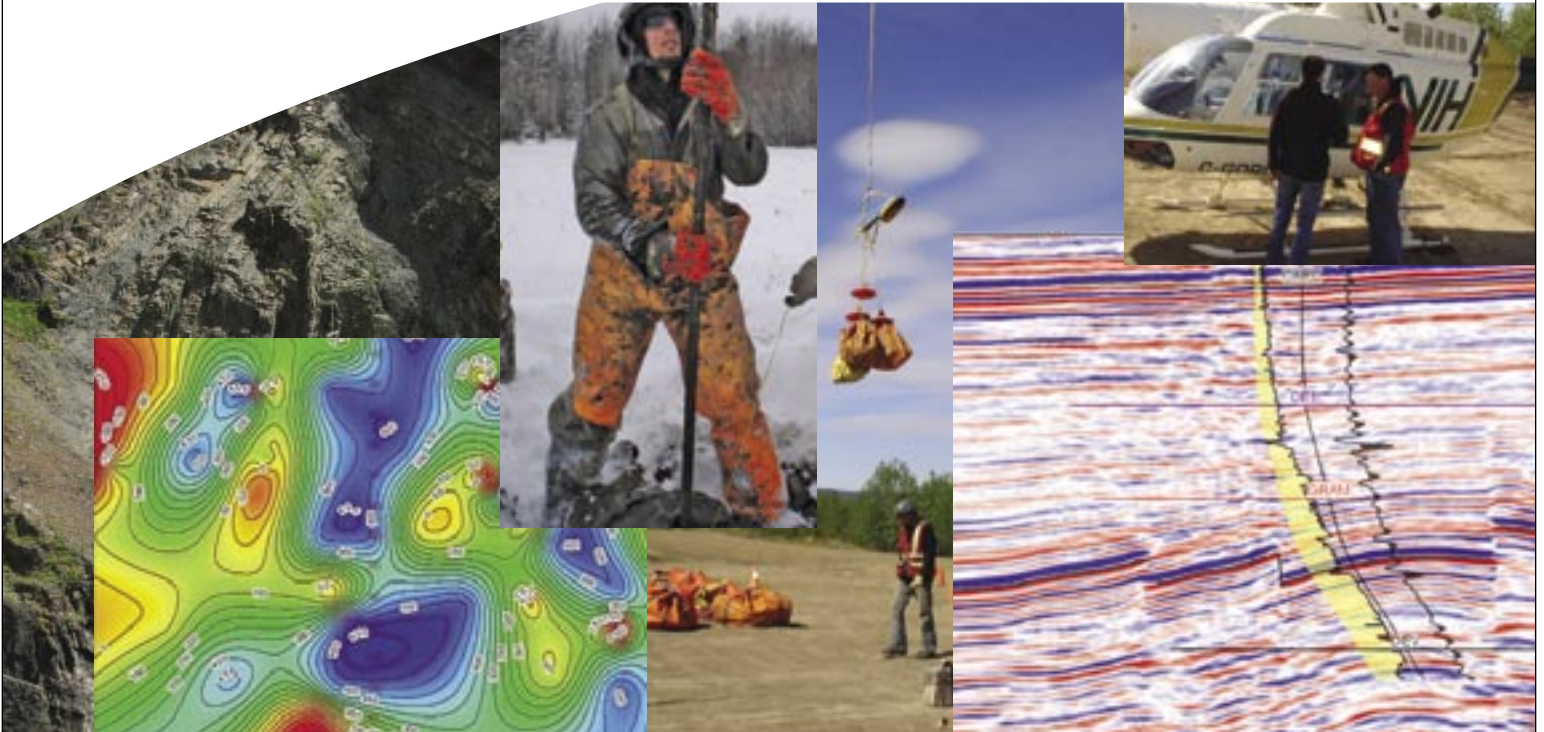


2007 SECOND QUARTER REPORT



The Evolution of Exploration:

AN INTEGRATED SOLUTION



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the evolution of exploration and to deliver shareholder value.

Divestco is a growth-oriented company that provides a comprehensive and integrated portfolio of software, services, data and consulting to the oil and gas industry. Our offerings consist of a diverse range of innovative and complementary products and services, with unique value-added bundling and integration options. Divestco has developed its business model based on a plan of strategic acquisition and organic growth.

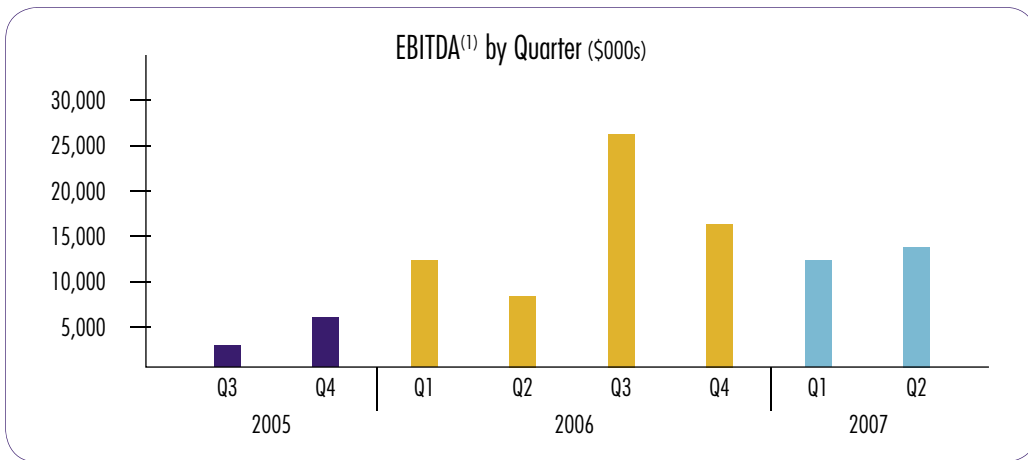
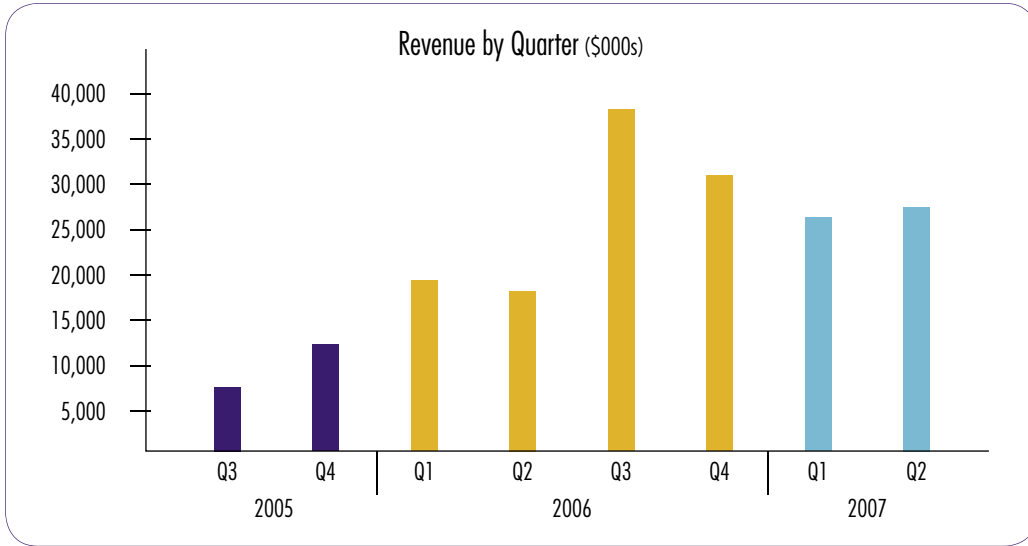
Based in Calgary, Alberta, Divestco has more than 500 employees worldwide, with additional offices in Denver, Colorado and Houston, Texas.

Financial Highlights

Financial Results (Thousands, Except per Share Amounts)	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2007	2006	% Change	2007	2006	% Change
Revenue	\$27,529	\$18,056	52%	\$54,322	\$37,661	44%
EBITDA ⁽¹⁾	14,053	8,049	75%	26,803	20,240	32%
Operating Income ⁽¹⁾	6,283	2,673	135%	12,427	7,835	59%
Net Income	4,166	3,550	17%	8,237	7,141	15%
Per Share - Basic	0.11	0.11	0%	0.22	0.23	-4%
Per Share - Diluted	0.10	0.11	-9%	0.21	0.22	-5%
Funds From Operations ⁽¹⁾	13,776	8,215	68%	19,436	19,963	-3%
Per Share - Basic	0.35	0.26	35%	0.52	0.65	-20%
Per Share - Diluted	0.33	0.24	38%	0.49	0.62	-21%
Shares Outstanding	40,959	33,812	21%	40,959	33,812	21%
Weighted Average Shares Outstanding						
Basic	38,906	31,407	24%	37,082	30,857	20%
Diluted	41,646	33,538	24%	39,875	32,435	23%

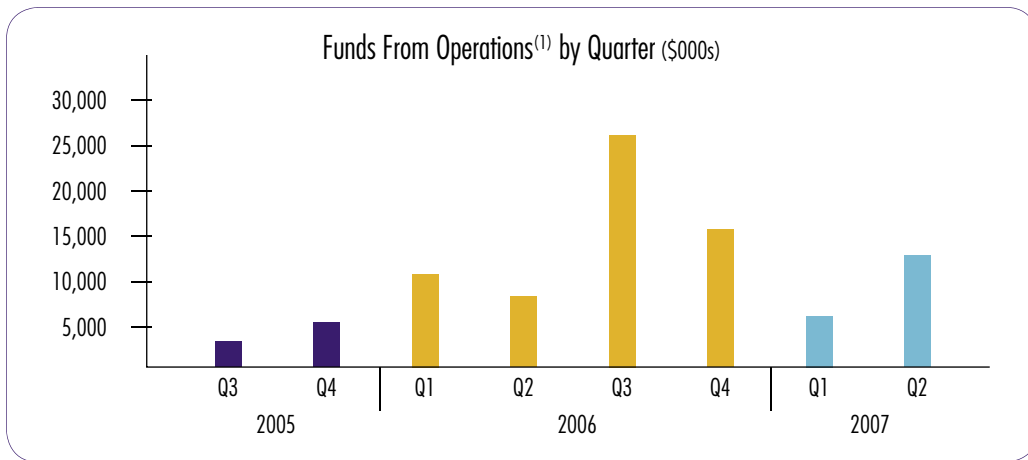
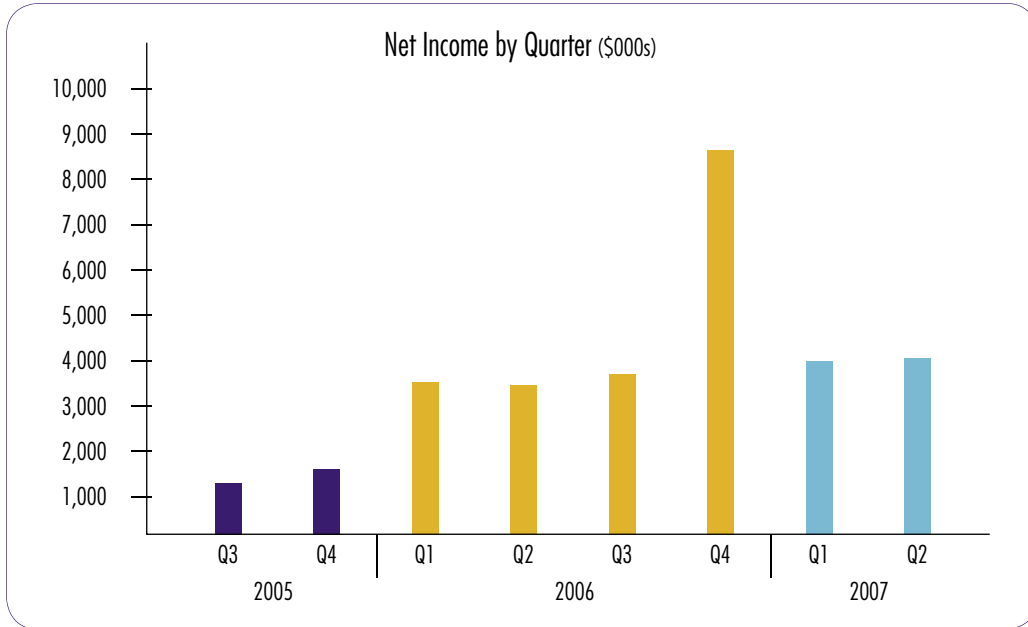
(1) See the Non-GAAP Measures Section

Financial Highlights: Quarter Comparison

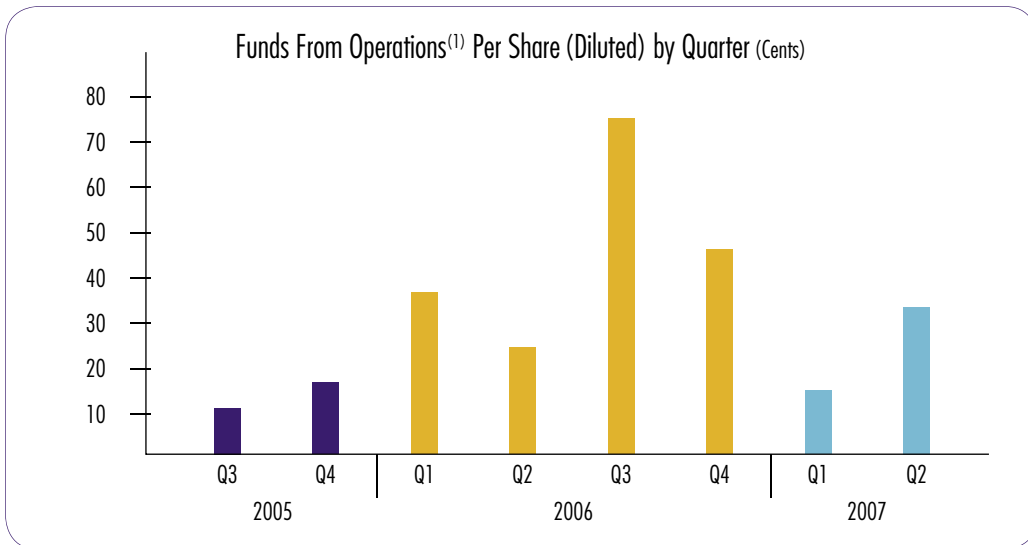
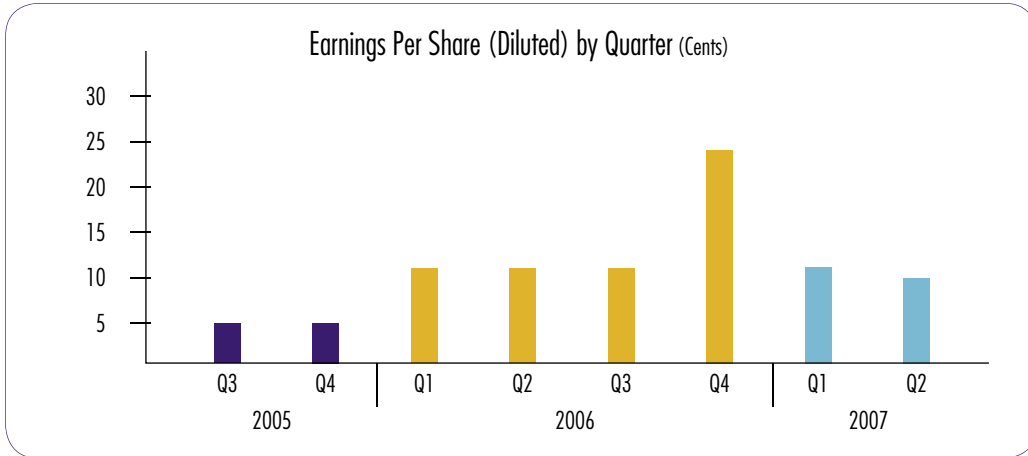


(1) See the Non-GAAP Measures Section

Financial Highlights: Quarter Comparison



(1) See the Non-GAAP Measures Section



(1) See the Non-GAAP Measures Section

Management's Discussion and Analysis

Introduction

This Management Discussion and Analysis (MD&A) for Divestco Inc. (Divestco or the Company) focuses on key statistics from the financial statements and pertains to known risks and uncertainties relating to the oil and gas exploration and production industry. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political, and environmental conditions. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2006 and 2005 and the interim consolidated financial statements for the period ended June 30, 2007. Unless otherwise disclosed, all financial information in this section has been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and is reported in Canadian dollars.

This MD&A is dated August 10, 2007.

Forward-Looking Statements

This MD&A contains forward-looking statements based upon current expectations that involve a number of business risks and uncertainties. The use of forward-looking words such as, "may," "will," "expect," or similar variations generally identify such statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including the factors discussed in the Business Risks and Environment section of this MD&A.

Non-GAAP Measures

Throughout this MD&A the terms working capital, EBITDA, operating income, funds from operations, and funds from operations per share (basic and diluted) are used. 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, these measures have been 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.


Non-GAAP measures are calculated as follows:

Working Capital: current assets less current liabilities

EBITDA: earnings before interest, income taxes, depreciation and amortization

Operating Income: EBITDA less interest, depreciation and amortization

Funds from Operations: cash flow from operating activities as prescribed by Canadian GAAP, but excluding the impact of items not affecting cash (see Consolidated Statements of Cash Flows)



Management believes that in addition to net income, EBITDA and operating income are useful supplemental measures for providing an indication of the results generated by the Company's principal business activities, even prior to the consideration of how those activities are financed or how the results are taxed. Management also uses working capital, funds from operations and funds from operations per share (basic and diluted), as key measures to assess the ability of the Company to finance operating activities and capital expenditures.

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 for and price of services and products offered by Divestco depends on the activity levels for oil and gas producers. Commodity prices, supply and demand for oil and natural gas, and to a lesser extent, government regulation (including regulation of environmental matters and material changes in taxation policies), determine these activity levels. In addition, the Company's focus on the oil and gas industry as its primary customer base exposes it to all of the uncertainties associated with the demand for, and price of oil and natural gas.

A significant portion of Divestco's revenue is derived from the licensing of seismic data. To mitigate its demand risk, the Company spends a significant 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, and pre-selling licenses to the data. For larger seismic programs, the Company may rely on third parties to share in the cost. 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 factors affecting the probability of future sales of its seismic surveys, and obtains pre-sale commitments for a majority of the estimated costs of its participation seismic surveys, 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, as seismic acquisition requires the use of heavy equipment, especially in the northern areas of Alberta and British Columbia. The Company 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.

Management's Discussion and Analysis

Business Risks and Environment *Continued...*

Seasonality *Continued...*

The Company's Services segment normally exhibits a noticeable dip 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 entering into certain long-term archiving contracts with customers, as well as specific types of contract work appropriate for lower-activity months. The Software segment experiences a slow down during July and August, which is generally a low volume 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 a 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 a stand-alone basis, or as customized and bundled solutions.

Skilled Labour

Divestco's success also 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 obtains confidentiality agreements and, in some cases, non-compete agreements from these individuals.

Government Regulations and Safety

The Company'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. Divestco and its contractors are required to invest financial and managerial resources to comply with such laws and related permit requirements in their operations. Such laws and regulations are subject to change and, accordingly, it is not feasible for the Company to predict the cost or impact of such laws and regulations on its future operations. The adoption or modification of laws and regulations, which may lead oil and gas companies to curtail exploration and development, could also adversely affect Divestco's seismic operations by reducing the demand for seismic surveys.

You can view copies of the Company's other continuous disclosure documents at www.sedar.com or on the Company's website at www.divestco.com

Overall Performance

Financial Results (Thousands, Except per Share Amounts)	For the Three Months Ended June 30			For the Six Months Ended June 30		
	2007	2006	% Change	2007	2006	% Change
Revenue	\$27,529	\$18,056	52%	\$54,322	\$37,661	44%
Operating Expenses	13,476	10,007	35%	27,519	17,421	58%
EBITDA ⁽¹⁾	14,053	8,049	75%	26,803	20,240	32%
Interest	1,139	303	276%	1,428	496	188%
Depreciation and Amortization	6,631	5,073	31%	12,948	11,909	9%
Operating Income ⁽¹⁾	6,283	2,673	135%	12,427	7,835	59%
Other Income (Loss)	(29)	1,827	N/A	(48)	2,106	N/A
Income Tax Expense	2,088	950	120%	4,142	2,800	48%
Net Income	4,166	3,550	17%	8,237	7,141	15%
Per Share - Basic	0.11	0.11	0%	0.22	0.23	-4%
Per Share - Diluted	0.10	0.11	-9%	0.21	0.22	-5%
Funds From Operations ⁽¹⁾	13,776	8,215	68%	19,436	19,963	-3%
Per Share - Basic	0.35	0.26	35%	0.52	0.65	-20%
Per Share - Diluted	0.33	0.24	38%	0.49	0.62	-21%
Shares Outstanding	40,959	33,812	21%	40,959	33,812	21%
Weighted Average Shares Outstanding						
Basic	38,906	31,407	24%	37,082	30,857	20%
Diluted	41,646	33,538	24%	39,875	32,435	23%

Financial Position

(Thousands)

	Balance as at		
	Jun 30, 2007	Jun 30, 2006	Dec 31, 2006
Total Assets	\$209,763	\$141,183	\$132,942
Working Capital ⁽¹⁾⁽²⁾	(12,495)	(38,069)	(10,955)
Long-term Debt Obligations (Including Current Portion)	44,535	10,234	9,931

(1) See the Non-GAAP Measures Section

(2) Excluding the current portion of deferred revenue, the Company's working capital deficiency was \$4.6 million at June 30, 2007 related in most part to accrued corporate income taxes of \$6.4 million. Aside from the tax accrual, the Company's working capital issues were resolved with the closing of a new \$60 million committed bank facility with Wells Fargo Financial Corporation Canada in April 2007. All previous senior and term debt facilities (excluding nominal credit card and lease facilities) were extinguished. This has given the Company the appropriate structure to match the acquisition of long-term assets with long-term debt.

Management's Discussion and Analysis

Overall Performance Continued...

Consolidated Second Quarter Financial Results – 2007

Divestco generated 10 cents per share in earnings (diluted) for the second quarter of 2007 compared to 11 cents (diluted) in 2006. Net income was \$4.2 million compared to \$3.6 million in 2006, an increase of \$0.6 million (17%). Revenues were \$27.5 million, an increase of \$9.4 million (52%) from \$18.1 million in 2006. Funds from operations increased by \$5.6 million (68%) from \$8.2 million in 2006 to \$13.8 million (\$0.33 per share – diluted) in 2007.

Highlights for the second quarter of 2007, were as follows:

- \$6.1 million (57%) increase in Data revenue related to the acquisition of BlueGrouse, delivery of two 3D seismic data surveys and a \$5.1 million rise in total 2D and 3D data library sales.
- \$1.6 million (37%) increase in Services revenue related mainly to the purchase of the Geomatics business unit from Veritas Energy Services Partnership (Veritas) in May 2007 and the Seismic Processing division from Geo-X Systems Ltd. in May 2006.
- \$1.6 million (115%) increase in Consulting revenue primarily due to the Cavalier Land Ltd. (Cavalier Land) acquisition in the third quarter of 2006.
- \$0.2 million (11%) increase in Software revenue related to the growth in existing product lines.

Consolidated Year to Date Financial Results – 2007

Divestco generated 21 cents per share in earnings (diluted) for the six months ended June 30, 2007 compared to 22 cents (diluted) for the same period in 2006. Net income was \$8.2 million compared to \$7.1 million in 2006, an increase of \$1.1 million (15%). Revenues were \$54.3 million, an increase of \$16.6 million (44%) from \$37.7 million in 2006. Funds from operations decreased by \$0.6 million (3%) from \$20 million in 2006 (\$0.62 per share – diluted) to \$19.4 million (\$0.49 per share – diluted) in 2007.

Highlights for the six months ended June 30, 2007, were as follows:

- \$7.4 million (31%) increase in Data revenue related to the acquisition of BlueGrouse, delivery of three 3D seismic data surveys and a \$6.4 million rise in total 2D and 3D data library sales.
- \$5.1 million (75%) increase in Services revenue related mainly to the purchase of the Geomatics business unit in May 2007 and the Seismic Processing division in May 2006.
- \$3.8 million (131%) increase in Consulting revenue primarily due to the Cavalier Land acquisition in the third quarter of 2006.
- \$0.4 million (10%) increase in Software revenue related to the growth in existing product lines.

Outlook

Despite the increases in revenue and net income generated in the first six months of 2007, a number of scheduled seismic surveys expected to be completed in the first half of 2007 were rescheduled for completion later in the year due to heavy snow pack and wet spring conditions in certain regions of Alberta and British Columbia. Weather permitting, the participation revenue associated with these programs is expected to be achieved during last two quarters of 2007.

General oil and gas industry level activities are still expected to level-off in 2007 and given Divestco's broad product and service offering, some of the Company's divisions may be affected by a levelling-off in general industry levels. However, 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. In addition, the Company has significant visibility and traction for the remainder of 2007 and entering 2008.

Selected Quarterly Information (Thousands, Except per Share Amounts)	2007		2006				2005	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	Revenue	\$27,529	\$26,793	\$30,546	\$38,257	\$18,056	\$19,605	\$12,874
EBITDA ⁽¹⁾	14,053	12,752	16,853	26,572	8,049	12,192	5,334	3,044
Operating Income ⁽¹⁾	6,283	6,145	12,748	5,796	2,673	5,163	2,826	1,985
Net Income	4,166	4,071	8,690	3,783	3,550	3,591	1,666	1,312
Per Share - Basic	0.11	0.11	0.25	0.11	0.11	0.12	0.06	0.05
Per Share - Diluted	0.10	0.11	0.24	0.11	0.11	0.11	0.05	0.05
Funds from Operations ⁽¹⁾	13,776	5,662	16,866	26,440	8,215	11,751	5,151	3,015
Per Share - Basic	0.35	0.16	0.48	0.78	0.26	0.39	0.17	0.11
Per Share - Diluted	0.33	0.15	0.47	0.74	0.24	0.37	0.17	0.11

(1) See the Non-GAAP Measures Section

The trend illustrated in the table above is due to Divestco's growth over the past two years, through both organic means and acquisitions. Generally, the Company's busiest quarters are the first and fourth, when significant drilling and exploration activities are underway in North America.

Management's Discussion and Analysis

Segment Review

Summary

For the Three Months Ended June 30, 2007

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,952	\$5,851	\$16,696	\$3,030	\$-	\$27,529
EBITDA ⁽¹⁾	865	467	14,575	248	(2,102)	14,053
Interest	3	-	210	(12)	938	1,139
Depreciation and Amortization	343	744	5,171	325	48	6,631
Operating Income (Loss) ⁽¹⁾	519	(277)	9,194	(65)	(3,088)	6,283

For the Three Months Ended June 30, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,752	\$4,279	\$10,603	\$1,408	\$14	\$18,056
EBITDA ⁽¹⁾	880	580	8,662	(187)	(1,886)	8,049
Interest	1	-	98	-	204	303
Depreciation and Amortization	290	378	4,356	15	34	5,073
Operating Income (Loss) ⁽¹⁾	589	202	4,208	(202)	(2,124)	2,673

(1) See the Non-GAAP Measures Section

For the Six Months Ended June 30, 2007

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$3,780	\$11,998	\$31,826	\$6,718	\$-	\$54,322
EBITDA ⁽¹⁾	1,459	1,650	27,828	756	(4,890)	26,803
Interest	3	-	256	(20)	1,189	1,428
Depreciation and Amortization	728	1,136	10,355	640	89	12,948
Operating Income (Loss) ⁽¹⁾	728	514	17,217	136	(6,168)	12,427

For the Six Months Ended June 30, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$3,428	\$6,851	\$24,378	\$2,911	\$93	\$37,661
EBITDA ⁽¹⁾	1,608	1,377	20,780	(321)	(3,204)	20,240
Interest	-	-	110	-	386	496
Depreciation and Amortization	557	519	10,740	25	68	11,909
Operating Income (Loss) ⁽¹⁾	1,051	858	9,930	(346)	(3,658)	7,835

(1) See the Non-GAAP Measures Section

Management's Discussion and Analysis

Segment Review *Continued...*

Software

The Software segment sells and licenses software and is responsible for development, maintenance and support of its products.

Second Quarter Financial Results – 2007

In the second quarter of 2007, revenue in Software amounted to \$2 million compared to \$1.8 million for the same quarter in 2006, generating 7% (Q2 2006 - 10%) of the Company's total revenue for the three month period. The increase of \$0.2 million (11%) was due to an increase in sales of LandRite, GeoCarta Tools, and GeoVista.

EBITDA for the second quarter was \$865,000 compared to \$878,000 in 2006, a marginal decrease of \$13,000 (1%). Salaries and benefits increased by 23% due to new hires and annual salary increases that became effective January 1, 2007. General and administrative expenses (G&A) increased by 18% from 2006 due to a rise in royalties and contractor costs. This was offset by a 16% increase in deferred development costs as there were a number of large development projects underway during the quarter. Amortization was \$343,000 compared to \$290,000 in 2006, an increase of \$54,000 (19%) related to the acquisition of i Land Data Ltd. (i Land), additional amortization of deferred development costs and purchase of computer hardware and leasehold improvements. Operating income for Software was \$519,000 compared to operating income of \$589,000 in 2006, a decrease of \$70,000 (12%).

Year to Date Financial Results – 2007

During the six months ended June 30, 2007, revenue in Software amounted to \$3.8 million compared to \$3.4 million for the same period in 2006, generating 7% (2006 - 9%) of the Company's total revenue for the six month period. The increase of \$0.4 million (10%) was due to an increase in LandRite, GeoVista, WinPICS, SMAC and MapQ sales.

EBITDA for the first half of 2007 was \$1.5 million compared to \$1.6 million in 2006, a decrease of \$0.1 million (9%). Salaries and benefits increased by 26% due to annual bonuses paid in first quarter of 2007 compared to third quarter of 2006, new hires and annual salary increases that became effective January 1, 2007. General and administrative expenses (G&A) increased by 23% from 2006 due to a rise in contractor costs and software licenses. This was offset by a 24% increase in deferred development costs as there were a number of large development projects underway during the quarter. Amortization was \$728,000 compared to \$557,000 in 2006, an increase of \$171,000 (31%) related to the acquisition of i land, additional amortization of deferred development costs and purchase of computer hardware and leasehold improvements. Operating income for Software was \$0.7 million compared to operating income of \$1.1 million in 2006, a decrease of \$0.4 million (31%).



Outlook

The summer of 2007 will see the release of several Divestco products including the latest edition of GeoCarta Tools (with support of ESRI's new ArcGIS 9.2 system). In June, a major revision of our LandRite land management system was released.

Over the coming months, several products will enter their final testing stages before release. WinPICS, EnvisionVSX and GeoVista are both aiming for third quarter release dates.

Additional opportunities are being spurred on by GeoCarta Tools, where larger custom development project work is being pursued.

As mentioned previously, Divestco continues to invest heavily in on-going research and development with an eye on creating new and enhanced, long-term revenue streams.

Management's Discussion and Analysis

Segment Review Continued...

Services

The Services segment offers data quality assurance and processing as well as data management services for geophysical and geological related information. More specifically, Services provides geomatics (seismic survey audit, custom mapping and database management services), archive, brokerage and processing services.

Second Quarter Financial Results – 2007

In the second quarter of 2007, revenue in Services amounted to \$5.9 million compared to \$4.3 million for the same quarter in 2006, generating 21% (Q1 2006 – 24%) of the Company's total revenue for the three month period. The increase of \$1.6 million (37%) was primarily due to the purchase of the Geomatics business unit and BlueGrouse (seismic brokerage) in May 2007 and Seismic Processing division in May 2006, as well as organic growth from existing business lines. This was offset by a decrease in existing brokerage revenue from a reduction in activity levels.

EBITDA for the second quarter was \$467,000 compared to \$580,000 in 2006, a decrease of \$113,000 (19%). Salaries and benefits increased by 36% due to the acquisition of Seismic Processing in 2006 and acquisitions of the Geomatics business unit and BlueGrouse (seismic brokerage) in 2007. G&A expenses increased only marginally as there were some one-time charges related to the purchase of the Geo-X Seismic Processing division in 2006. Amortization was \$744,000, an increase of \$366,000 (97%) from \$378,000 in 2006, related to the purchase of the seismic processing assets in May 2006 and Geomatics division. Operating income for Services was a negative \$277,000 as compared to a positive \$202,000 in 2006, a decrease of \$479,000 (237%).

Year to Date Financial Results – 2007

During the six months ended June 30, 2007, revenue in Services amounted to \$12 million compared to \$6.9 million for the same period in 2006, generating 22% (2006 – 18%) of the Company's total revenue for the six month period. The increase of \$5.1 million (75%) was primarily due to a rise in seismic processing revenue as this division was not acquired until May 2006, along with the purchase of the Geomatics division and the BlueGrouse acquisition in 2007.

EBITDA for the first half of 2007 was \$1.7 million compared to \$1.4 million in 2006, an increase of \$0.3 million (20%). Salaries and benefits increased by 51% due to the acquisition of Seismic Processing in 2006 and acquisitions of the Geomatics business unit from Veritas and BlueGrouse (seismic brokerage) in 2007. G&A expenses increased by 37% due mainly to the various acquisitions. Amortization was \$1.1 million, an increase of \$0.6 million (119%) from \$0.5 million in 2006, mainly related to the various acquisitions. Operating income for Services was \$514,000 as compared to \$858,000 in 2006, a decrease of \$344,000 (40%).



Outlook

A reprocessing project recently commenced that will add value for customers through improving the integrity of the data via re-audit and re-processing Divestco's entire 100% owned 2D seismic lines.

The creation of the new Geomatics division which includes Survey Audit, GIS Mapping and Database services, is bringing best of breed software, products and services to the industry. A new focus on a NAD83 suite of services is also being offered with many customers taking the first step towards compliance this summer through an upgrade of their grid version.

The Geomatics business unit acquired from Veritas as well as Spectrum will be moved into Divestco office space to realize business economies of scale and begin integration of processes and systems.

Management's Discussion and Analysis

Segment Review Continued...

Data

The Data segment acquires, licenses, and maintains Divestco's proprietary seismic data and full suite of support data layers (log, well, and drilling data). Data also provides log digitizing, rasterizing services, and document scanning management services.

Seismic Library

Balance as at	Jun 30, 2007	Jun 30, 2006	Dec 31, 2006
2D in Gross Kilometres	99,173	58,273	58,273
2D in Net Kilometres	78,993	46,273	46,273
3D in Gross Square Kilometres	14,789	5,962	7,279
3D in Net Square Kilometres	12,157	4,453	5,770

Second Quarter Financial Results – 2007

In the second quarter of 2007, revenue in Data amounted to \$16.7 million compared to \$10.6 million for the same quarter in 2006, generating 61% (Q1 2006 – 59%) of the Company's total revenue for the six month period. The increase of \$6.1 million (57%) was due to a \$5.1 million rise in aggregate 2D and 3D data library and participation revenue, \$0.9 million of revenue related to acquisition of BlueGrouse and a \$0.1 million increase in the U.S. division.

EBITDA for the second quarter was \$14.6 million compared to \$8.7 million in 2006, an increase of \$5.9 million (68%). Salaries and benefits increased slightly from 2006 with a rise due to acquisition of BlueGrouse, offset by decreases in the Seismic Data and U.S. divisions. G&A expenses increased by 31% from the same period in 2006 primarily due to the acquisition of BlueGrouse. Amortization increased by \$0.8 million (20%) to \$5.2 million in 2007 from \$4.4 million in 2006 due to the acquisition of BlueGrouse offset by a decline in weather-delayed participation programs recorded from the prior year. Operating income was \$9.2 million compared to \$4.2 million in 2006, an increase of \$5 million (118%).



Year to Date Financial Results – 2007

During the six months ended June 30, 2007, revenue in Data amounted to \$31.8 million compared to \$24.4 million for the same period in 2006, generating 59% (2006 – 65%) of the Company's total revenue for the six month period. The increase of \$7.4 million (31%) was due to a \$6.4 million rise in aggregate 2D and 3D data library sales revenue, \$0.9 million of revenue related to acquisition of BlueGrouse and a \$0.1 million increase in the U.S. division.

EBITDA for the first half of 2007 was \$27.8 million compared to \$20.8 million in 2006, an increase of \$7 million (34%). Salaries and benefits increased slightly from 2006 due to the acquisition of BlueGrouse offset by decreases in the U.S. G&A expenses increased by 27% from the same period in 2006 primarily due to the acquisition of BlueGrouse. Amortization decreased by \$0.3 million (4%) to \$10.4 million in 2007 from \$10.7 million in 2006 due to the acquisition of BlueGrouse, offset by a decline in weather-delayed participation programs recorded from the prior year. Operating income was \$17.2 million compared to \$9.9 million in 2006, an increase of \$7.3 million (73%).

Outlook

As discussed, a number of scheduled seismic surveys expected to be completed in the first two quarters of 2007 were rescheduled for completion during the second half of 2007 due to heavy snow pack and one of the wettest springs on record in certain regions of Alberta and British Columbia. Divestco still expects to complete and deliver a number of 3D seismic surveys covering approximately 3,500 square kilometres in Alberta and British Columbia. Further augmenting the created 3D datasets, it is expected that Divestco will continue to evaluate and acquire 2D and 3D seismic data and other datasets that complement the Company's broad data offering.

Management's Discussion and Analysis

Segment Review Continued...

Consulting

The Consulting segment offers end-to-end solutions including business consulting services, ERP and CRM systems implementations, custom software development, hardware devices, network infrastructure, and land management services.

Second Quarter Financial Results – 2007

In the second quarter of 2007, revenue in Consulting amounted to \$3 million compared to \$1.4 million for the same quarter in 2006, generating 11% (Q2 2006 – 8%) of the Company's total revenue for the three month period. Revenue for land management services from the acquisition of Cavalier Land was \$1.9 million, offset by a decrease of \$0.3 million in business consulting services due to the closure of the Vancouver and Edmonton offices.

EBITDA for the second quarter was \$248,000 compared to a negative \$187,000 an increase of \$435,000 (233%). Salaries and benefits increased by 47% due to the addition of Cavalier Land in July 2006 which was offset by a decrease in business consulting due to the closure of the two offices. G&A expenses were up 36% due to the acquisition of Cavalier Land, offset by reduction in costs due to the closure of the two offices in business consulting and the reduction in software sales. Amortization increased by \$310,000 to \$325,000 for the current quarter from \$15,000 in 2006 mainly due to Cavalier Land acquisition. Operating loss was \$65,000 compared to a loss of \$202,000 in the same quarter of 2006.

Year to Date Financial Results – 2007

During the six months ended June 30, 2007, revenue in Consulting amounted to \$6.7 million compared to \$2.9 million for the same quarter in 2006, generating 12% (2006 – 8%) of the Company's total revenue for the six month period. Revenue for land management services from the acquisition of Cavalier Land was \$4.4 million, offset by a decrease of \$0.5 million in business consulting services mainly due to the closure of the Vancouver and Edmonton offices.

EBITDA for the first half of 2007 was \$0.8 million compared to a negative \$0.3 million an increase of \$1.1 million (336%) Salaries and benefits increased by 43% due to the addition of Cavalier Land in July 2006 which was offset by a decrease in business consulting with the closure of the two offices. G&A expenses were up 50% due to the acquisition of Cavalier Land, offset by a reduction in costs due to the closure of the two offices in business consulting and the reduction in software sales. Amortization was \$640,000 for the six month period up \$615,000 from \$25,000 for the same period in 2006 mainly to due to the Cavalier Land acquisition. Operating income was \$136,000 compared to a loss of \$346,000 in the same quarter of 2006.



Outlook

The Company is very pleased with the acquisition of Cavalier Land in July 2006 and is expecting solid results for the remainder of 2007.

In the third quarter, a new compensation and bonus plan will be released in the Business Consulting division with the objective of aligning individual objectives with consulting profitability. This is expected to increase the overall revenue and profitability of the division. Further, Consulting has recently released the newest version of Laser JV Accounting, Divestco's web-hosted joint-venture accounting software and service offering. After a year of development, Divestco believes there is significant market potential for this updated product.

Management's Discussion and Analysis

Segment Review *Continued...*

Corporate and Other

The Corporate segment contains costs associated with corporate general and administrative functions associated primarily with setting the overall strategic plan of the Company including: operations, finance, accounting, human resources (HR), and information technology (IT) functions. Salaries, legal, travel, investor relations, stock compensation and interest expenses are also included as part of the Corporate segment.

Second Quarter Financial Results – 2007

Revenue in 2006 related to investments which were sold during the year. Salaries and benefits increased slightly from the prior year as new hires and salary increases were offset by fewer staff in the accounting group. G&A expenses increased by 13% to \$1.5 million in 2007 from \$1.3 million in 2006 due to the increases in bad debts and stock compensation expense, offset by a decrease in stock exchange fees as the Company incurred a one-time listing fee from its move to the TSX in 2006. Interest costs were \$938,000 in 2007 compared to \$204,000 in 2006. The increase of \$734,000 (360%) was primarily due to the new debt from Wells Fargo of which \$40.1 million was outstanding as at June 30, 2007. Amortization was \$48,000 in 2007 compared to \$34,000 in 2006, an increase of \$14,000 (41%). Total expenditures on property and equipment amounted to \$141,000 in 2007 compared to \$52,000 in 2006, an increase of \$90,000 (173%).

Year to Date Financial Results – 2007

Revenue in 2006 related to investments which were sold during the year. Salaries and benefits increased by 38% from the prior year as bonuses were paid out in the first quarter of 2007 compared to the third quarter in 2006. The balance of the increase was related to salary increases and new hires. G&A expenses increased by 28% to \$2.9 million in 2007 from \$2.1 million in 2006 due to the increases in bad debts, stock compensation expense, professional fees related to internal control documentation, insurance and occupancy costs. Interest costs were \$1.2 million in 2007 compared to \$0.4 million in 2006. The increase of \$0.8 million (208%) was primarily due to the new debt from Wells Fargo of which \$40.1 million was outstanding as at June 30, 2007. Amortization was \$89,000 in 2007 compared to \$68,000 in 2006, an increase of \$21,000 (31%). Total expenditures on property and equipment amounted to \$221,000 in 2007 compared to \$115,000 in 2006, an increase of \$106,000 (92%).

Outlook

Divestco continues to work on the implementation of a new ERP system which is expected to be up and running by September. Aside from growth related to acquisitions, the Corporate segment does not expect a material increase in expenses in 2007.



Depreciation and Amortization

Depreciation and amortization for the second quarter of 2007 was \$6.6 million compared to \$5.1 million in the same period in 2006, an increase of \$1.6 million (31%). While there were less participation seismic surveys completed in 2007 compared to 2006, due to poor weather conditions which postponed some planned surveys to subsequent quarters, the Company completed four acquisitions during the quarter. In addition, Divestco purchased two existing seismic data libraries, acquired the remaining interest in a large 3D seismic survey and spent \$647,000 on property and equipment.

Depreciation and amortization for the six months ended June 30, 2007 was \$13 million compared to \$11.9 million in the same period in 2006, an increase of \$1.1 million (9%). While there were less participation seismic surveys completed in 2007 compared to 2006, due to poor weather conditions which postponed some planned surveys to subsequent quarters, the Company completed four acquisitions during the period. In addition, Divestco purchased two existing seismic data libraries and spent \$1 million on property and equipment.

Income Taxes

In the second quarter of 2007, Divestco recorded a current tax expense of \$0.3 million and a future tax expense of \$1.8 million for a net expense of \$2.1 million (33.4% of net income before taxes). This mainly relates to income being distributed from a partnership acquired in the BlueGrouse acquisition during the period.

For the six months ended June 30, 2007, Divestco recorded a current tax expense of \$7.5 million and a future tax recovery of \$3.3 million for a net expense of \$4.1 million (33.5% of net income before taxes). This mainly relates to income being distributed from Divestco's limited partnership and from a partnership acquired in the BlueGrouse acquisition during the period.

As at June 30, 2007, the Company still had \$1.1 million in non-capital losses acquired from BlueGrouse which begin to expire in 2027 and \$8.1 million in undepreciated capital cost pools in Canada.

In addition, Divestco's U.S. subsidiary had \$176,000 in net operating losses at the end of the quarter which begin to expire in 2025.

Management's Discussion and Analysis

Major Transactions

Seismic Related

During the second quarter of 2007, Divestco completed two 3D seismic surveys covering an approximate area of 267 square kilometres at a cost of \$7.5 million (excluding costs related to services provided by Divestco's survey audit, seismic processing and archive departments which are eliminated on consolidation). In addition, the Company acquired the remaining ownership interest in a large 3D data library for \$9.6 million, two existing 3D seismic surveys covering approximately 574 square kilometres for \$5.6 million and assumed approximately 32,000 kilometres of 2D and 5,600 square kilometres of 3D seismic data through the acquisition of BlueGrouse.


During the six months ended June 30, 2007, Divestco completed three 3D seismic surveys covering an approximate area of 497 square kilometres at a cost of \$17.8 million (excluding costs related to services provided by Divestco's survey audit, seismic processing and archive departments which are eliminated on consolidation). In addition, the Company acquired the remaining ownership interest in a 3D data library for \$9.6 million, two existing 3D seismic surveys covering approximately 574 square kilometres for 5.6 million and assumed approximately 32,000 kilometres of 2D and 5,600 square kilometres of 3D seismic data through the acquisition of BlueGrouse.

Corporate

On April 20, 2007 the Company entered into a new \$60 million financing arrangement with Wells Fargo Financial Corporation Canada. The Company replaced its previous operating and term credit facilities with five-year committed revolving and term facilities.

On May 3, 2007, the Company closed its Plan of Arrangement (the Arrangement) with BlueGrouse Seismic Solutions Ltd. (BlueGrouse) which was approved by BlueGrouse's shareholders on May 1, 2007. Pursuant to the Arrangement, BlueGrouse shareholders received 0.3125 Divestco shares for each BlueGrouse share held. BlueGrouse has four main components to its business model: Data Library, Multi-Client Services, Data Brokerage and Data Management.

On May 24, 2007, the Company acquired the Geomatics business unit of Veritas Energy Services Partnership. Total consideration was \$3.2 million with \$2.6 million paid in cash on closing (including acquisition costs) and the remaining \$0.6 million to be paid by December 31, 2007. The business delivers survey audit and geospatial data management services to the seismic industry.



On June 19, 2007, the Company acquired all of the issued and outstanding shares of JMG Seismic Processing Ltd. and KRJ Seismic Processing Ltd., partners of Spectrum Seismic Processing Partnership (Spectrum). Total consideration was \$1.9 million with \$0.4 million paid in cash on closing (including acquisition costs), \$0.6 million in Divestco common shares and the remaining \$0.9 million to be paid over a two-year period commencing on June 19, 2008. Spectrum provides a full range of onshore seismic data processing services in Western Canada.

On June 19, 2007, the Company acquired all of the issued and outstanding shares of i Land Data Ltd. (i Land). Total consideration was \$816,000 with \$380,000 paid in cash on closing (including acquisition costs), \$361,000 in Divestco common shares and the remaining \$75,000 to be paid on June 19, 2008. i Land provides data management related software to the oil and gas industry.

Liquidity and Capital Resources

Working Capital

Excluding the current portion of deferred revenue of \$8.9 million (December 31, 2006 — \$11.6 million), Divestco exited the second quarter of 2007 with a \$4.6 million working capital deficiency compared to positive a \$0.6 million at the end of 2006. The working capital deficiency is mainly attributed to \$6.4 million in current taxes payable associated with the Company's limited partnership and a significant working capital deficiency assumed from BlueGrouse. As announced on April 20, 2007, Divestco entered into a new \$60 million financing arrangement with a new lender. The Company replaced its previous operating and term credit facilities with five-year committed revolving and term facilities which are classified as long-term liabilities on the Company's balance sheet (excluding the current portion of the term debt facilities). Divestco now has the appropriate structure in place to match the acquisition of long-term assets with long-term debt and expects the working capital deficiency to be rectified on a go-forward basis.

Operating Activities

Funds from operations for the second quarter of 2007 were \$13.8 million (33 cents per share — diluted) compared to \$8.2 million (24 cents per share — diluted) in 2006, an increase of \$5.6 million (68%). The increase was due to an increase in revenue of \$9.4 million (52%), offset by an increase in operating expense of \$3.5 million (35%) related mainly to the four corporate acquisitions completed in the quarter.

Funds from operations for the six months ended June 30, 2007, were \$19.4 million (49 cents per share — diluted) compared to \$20 million (62 cents per share — diluted) in 2006, a decrease of \$0.6 million (3%). The decrease was due to current tax expense for the period related to the allocation of income from Divestco's limited partnership, an increase in operating expenses of \$10.1 million (58%), offset by an increase in revenue of \$16.6 million (44%) related to acquisitions and organic growth.

Management's Discussion and Analysis

Liquidity and Capital Resources *Continued...*

Financing Activities

The Company's financing activities for the three and six months ended June 30, 2007 are highlighted as follows:

- \$42.2 million in new bank financing from Wells Fargo used to extinguish approximately \$16 million in prior revolving and term debt facilities, with the remainder used to fund corporate acquisitions and current working capital shortfalls.
- \$3.3 million in term debt assumed from BlueGrouse.
- \$1.2 million in proceeds received from the exercise of stock options, broker compensation options and share purchase warrants (second quarter 2007 – \$0.6 million).
- \$0.3 million repayment of capital lease obligations and promissory notes (second quarter 2007 – \$0.1 million).

Investing Activities

The Company's investing activities for the three and six months ended June 30, 2007 are highlighted as follows:

- \$33.3 million to purchase existing seismic data and acquire new data libraries through multi-client surveys (second quarter 2006 – \$23.2 million).
- \$1 million in purchases of property and equipment as well as software code (second quarter 2007 – \$0.6 million).

Debt Instruments

Divestco has a \$60 million credit facility in place with Wells Fargo Financial Corporation Canada (WFFCC), an affiliate of U.S. based Wells Fargo & Company (Wells Fargo). The WFFCC bank facilities are committed with a 5 year maturity from the closing date. The facility is available in three tranches: a \$20 million committed revolver and two \$20 million term loan facilities. The revolver draws are not required to be repaid until maturity, however if advances are paid down in advance they can be redrawn at a later date. Each draw on the term loan facilities is amortized over six years from date of draw down and repaid on a monthly basis. The Company has two pricing options on all the credit facilities: floating Canadian Base Rate plus 2.00%, or Canadian LIBOR (London Inter Bank Offer Rate) plus 3.25%. The Canadian LIBOR options are available with locked in interest rate periods of 1, 2, or 3 months. As at June 30, 2007, \$42.2 million was drawn on this facility including \$17.5 million on the revolver, 9.7 million on the first term loan and \$5 million on the second term loan. The facilities are subject to the Company meeting certain debt covenants. As at June 30, 2007, the Company was not in violation of any of its covenants.

The WFFCC bank facilities are secured by a first floating charge on all the Company's assets. Expectations are that the recently acquired WFFCC credit facilities and funds from operations will be sufficient in the short and long-term to meet planned growth and to fund future capital expenditures.

Outstanding Share Data

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

The following table provides details of the Company's equity instruments:

Balance as at	Aug 10, 2007	Jun 30, 2007	Dec 31, 2006
Common Shares			
Outstanding	41,095,407	40,958,965	35,399,114
Weighted Average Outstanding			
Basic		37,082,499	32,664,507
Diluted		39,874,881	33,704,401
Stock Options			
Outstanding	2,866,754	2,884,406	2,765,706
Exercise Price	\$1.00 to \$7.52	\$1.00 to \$7.52	\$0.83 to \$6.10
Warrants			
Outstanding	521,250	521,250	538,500
Exercise Price	\$2.50	\$2.50	\$2.50
Broker Compensation Options			
Outstanding	-	553	220,553
Exercise Price	\$-	\$2.00	\$2.00

Common Shares

During the six months ended June 30, 2007, 17,250 warrants were exercised for total proceeds of \$43,000, and 220,000 broker compensation options were exercised for total proceeds of \$440,000. Subsequent to June 30, 2007, 553 broker compensation options were exercised.

On January 9, 2007 the Company received approval from the TSX to repurchase up to 1,770,000 of its common shares at prevailing market prices commencing on January 15, 2007 and terminating on the earlier of the January 14, 2008 and the date on which the maximum number of common shares are purchased pursuant to this normal course issuer bid. No repurchases have been made under this bid to date.

Management's Discussion and Analysis

Outstanding Share Data *Continued...*

Stock Options

As at June 30, 2007 there were 4,041,369 common shares reserved for grants of stock options. The increase from 3,147,035 was approved by the TSX on May 16, 2007.

During the six months ended June 30, 2007:

- 862,321 stock options were granted with exercise prices ranging from \$2.40 to \$8.58 including 336,986 BlueGrouse options that were exchanged for Divestco options and 444,869 options granted to officers and a director.
- 502,871 stock options were exercised at exercise prices ranging from \$1.00 to \$3.00 including 168,657 exercised by officers and a director .
- 240,750 stock options were forfeited with exercise prices ranging from \$1.00 to \$8.58 including 50,105 options held by officers and a director.

Subsequent to June 30, 2007:

- 12,939 options were exercised with exercise prices ranging from \$1.25 to \$3.00.
- 4,717 options were forfeited with exercise prices ranging from \$4.70 to \$6.10.

Related Party Transactions

Divestco had the following related party transactions:

- During the six months ended June 30, 2007, the Company paid \$104,000 (2006 - \$228,000) in brokerage commissions to a company controlled by a director. Included in accounts payable as at June 30, 2007 was \$Nil (June 30, 2006 - \$Nil) related to these commissions.
- During the six months ended June 30, 2007, the Company paid \$263,000 (2006 - \$197,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at June 30, 2007 was \$161,000 (June 30, 2006 - \$103,000) 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.



Critical Accounting Estimates

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.

The fair value of share options, broker compensation options, and warrants were estimated using the Black-Scholes option pricing model with the following assumptions: an average expected volatility of 70% (2006 — 60%), an average risk free interest rate of 4.2% (2006 — 5.0%), and an expected life of five years for the stock options and two years for the broker compensation options and warrants. The value of the stock options is recognized as a compensation expense over the two-year vesting period. In October 2005, the Company changed the vesting period of stock options granted going forward to three years from two years. The value for the broker compensation options is recorded in contributed surplus and is reduced as the broker options are exercised. The value of the warrants has been recorded as a separate line item under equity instruments and is reduced as the warrants are exercised.

Management's Discussion and Analysis

New Accounting Pronouncements

Financial Instruments


Effective January 1, 2007, the Company adopted the new Canadian accounting standards for Financial Instruments — Recognition and Measurement, Financial Instruments — Presentation and Disclosure, Hedging and Comprehensive Income. Prior periods have not been restated. The new standards establish guidelines for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. The Company has combined this new statement with its Statement of Income.

The new standards require all financial instruments to be classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost determined using the effective interest rate method. Transaction costs attributable to financial instruments classified as other than held-for-trading are included in the recognized amount of the related financial instrument and recognized over the life of the resulting financial instrument. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized as if the effective interest rate method had always been applied whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Amortization of premiums or discounts and losses due to impairment are included in current period net income.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income and reclassified to net income when derecognized or impaired.
- Held for trading financial instruments are measured at fair value. All gains and losses on derivatives that are not designated or do not qualify for hedge accounting are included in net income in the period in which they arise.
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value. All gains and losses are included in net income in the period in which they arise.

Under adoption of these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Bank indebtedness, accounts payable and accrued liabilities, and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

On adoption, the Company has elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantially modified on or after January 1, 2003. The impact of the change in accounting policy related to embedded derivatives was not material.



The Company had no “other comprehensive income or loss” transactions during the three and six months ended June 30, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

New Canadian accounting standards have been issued which will require additional disclosure in the Company’s financial statements commencing January 1, 2008, regarding the Company’s financial instruments as well as its capital and how it is managed.

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) to ensure that material information relating to the Company is communicated to them by others in the organization as it becomes known and 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, 2006, 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’ Multilateral 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 the period ended June 30, 2007 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. Divestco evaluated the design of its controls and procedures over financial reporting as defined under Multilateral Instrument 52-109 for the year ended December 31, 2006. This evaluation was performed under the supervision of the CEO and the CFO with the assistance of other Divestco employees and independent consultants to the extent necessary and appropriate. Based on this evaluation, the CEO and the CFO concluded that the design of these internal controls and procedures provided reasonable assurance regarding the reliability of financial reporting for the year ended December 31, 2006.

There were no changes in Divestco’s internal control over financial reporting that occurred during the period ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, Divestco’s internal control over financial reporting.

Consolidated Balance Sheets

As at (Thousands - Unaudited)	Jun 30, 2007	Dec 31, 2006
Assets		
Current Assets		
Cash and Cash Equivalents	\$1,602	\$1,437
Accounts Receivable	29,570	21,875
Prepaid Expenses, Supplies and Deposits	807	923
Investment Tax Credits Recoverable	-	651
	\$31,979	\$24,886
Long-term Accounts Receivable	\$280	\$560
Investment in Affiliated Company	67	68
Data Libraries (Note 4)	135,141	71,201
Participation Surveys in Progress	521	2,721
Property and Equipment (Note 5)	6,609	6,069
Deferred Development Costs (Note 6)	3,778	2,877
Deferred Finance Costs	-	323
Intangible Assets (Note 7)	20,893	15,719
Goodwill	10,495	8,518
	\$209,763	\$132,942
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank Indebtedness (Note 8)	\$-	\$ 6,451
Accounts Payable and Accrued Liabilities	23,656	14,147
Income Taxes Payable	6,385	345
Current Portion of Deferred Revenue	7,854	11,603
Current Portion of Long-term Debt Obligations (Note 9)	6,579	3,295
	\$44,474	\$35,841
Deferred Revenue	\$165	\$260
Long-term Debt Obligations (Note 9)	37,956	6,636
Convertible Debentures (Note 10)	7,533	-
Future Income Taxes	12,624	12,968
	\$102,752	\$55,705
Shareholders' Equity		
Equity Instruments (Note 11 (b))	\$66,785	\$46,854
Contributed Surplus (Note 11 (e))	3,005	2,008
Equity Portion of Convertible Debentures (Note 10)	609	-
Retained Earnings	36,612	28,375
	107,011	77,237
	\$209,763	\$132,942

See Notes to Consolidated Financial Statements

Consolidated Statements of Income, Comprehensive Income and Retained Earnings

(Thousands, Except per Share Amounts - Unaudited)	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2007	2006	2007	2006
Revenue	\$27,529	\$18,056	\$54,322	\$37,661
Operating Expenses				
Salaries and Benefits	8,732	6,067	18,304	10,763
General and Administrative	4,363	3,718	8,456	6,307
Stock Compensation Expense (Note 11 (f))	381	222	759	351
	\$13,476	\$10,007	\$27,519	\$17,421
Interest Expense	1,139	303	1,428	496
Depreciation and Amortization	6,631	5,073	12,948	11,909
Other Income (Loss)	(29)	1,827	(48)	2,106
Income Before Income Taxes	\$6,254	\$4,500	\$12,379	\$9,941
Income Taxes				
Current (Reduction)	284	(228)	7,479	177
Future (Recovery)	1,804	1,178	(3,337)	2,623
	\$2,088	\$950	\$4,142	\$2,800
Net Income and Comprehensive Income for Period	\$4,166	\$3,550	\$8,237	\$7,141
Retained Earnings, Beginning of Period	32,446	12,351	28,375	8,760
Retained Earnings, End of Period	\$36,612	\$15,901	\$36,612	\$15,901
Earnings per Share				
Basic	\$0.11	\$0.11	\$0.22	\$0.23
Diluted	\$0.10	\$0.11	\$0.21	\$0.22
Weighted Average Number of Shares				
Basic	38,906	31,407	37,082	30,857
Dilute	41,646	33,538	39,875	32,435

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Thousands - Unaudited)	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2007	2006	2007	2006
Cash Flows from Operating Activities				
Net Income for the Period	\$4,166	\$3,550	\$8,237	\$7,141
Items Not Affecting Cash:				
Equity Investment Loss	4	2	7	10
Depreciation and Amortization of Data Libraries, Property and Equipment and Intangible Assets	6,480	4,938	12,573	11,641
Amortization of Deferred Development Costs	151	135	375	268
Accretion of Deferred Finance Costs	375	22	397	43
Future Income Taxes (Recovery)	1,804	1,178	(3,337)	2,623
Gain on Sale of Investment Securities	-	(1,852)	-	(2,132)
Unrealized Foreign Exchange Loss	80	20	90	18
Non-cash Retention Bonus	335	-	335	-
Stock Compensation Expense	381	222	759	351
	\$13,776	\$8,215	\$19,436	\$19,963
Changes in Non-cash Working Capital Balances (Note 12)	\$(6,454)	\$8,356	\$(4,628)	\$24,205
Increase (Decrease) in Non-current Deferred Revenue	(39)	1,435	(95)	1,366
Decrease in Long-term Accounts Receivable	140	-	280	-
	\$7,423	\$18,006	\$14,993	\$45,534
Cash Flows from Financing Activities				
Bank Indebtedness	\$(9,395)	\$8,004	\$(6,451)	\$8,870
Advances to Affiliated Company	-	-	(8)	-
Issue of Common Shares, Net of Related Expenses (Note 11 (b))	595	11,426	1,213	13,866
Repayment of Long-term Debt Obligations	(10,809)	(710)	(11,494)	(1,370)
Deferring Financing Costs	(1,340)	-	(1,340)	-
Proceeds Received from Long-term Debt Obligations	42,235	-	42,235	-
	\$21,286	\$18,720	\$24,155	\$21,366
Cash Flows from Investing Activities				
Purchase of Data Libraries	\$(23,177)	\$(9,069)	\$(33,334)	\$(22,869)
Decrease (Increase) in Participation Surveys in Progress	7,080	(19,482)	2,248	(42,273)
Purchase of Property and Equipment	(647)	(221)	(1,003)	(527)
Purchase of Intangibles	-	(176)	-	(176)
Acquisitions (Note 3)	(3,852)	(11,487)	(3,852)	(11,487)
Purchase of Investment Securities	-	-	-	(109)
Proceeds on Sale of Investment Securities	-	6,644	-	7,753
Deferred Development Costs	(652)	(431)	(1,276)	(800)
Changes in Non-cash Working Capital Balances (Note 12)	(6,813)	(4,146)	(1,677)	11,254
	\$(28,061)	\$(30,076)	\$(38,894)	\$(59,234)
Foreign Exchange Loss on Cash Held in a Foreign Currency	(78)	(20)	(89)	(25)
Increase in Cash and Cash Equivalents	\$570	\$6,630	\$165	\$7,641
Cash and Cash Equivalents, Beginning of Period	1,032	2,393	1,437	1,382
Cash and Cash Equivalents, End of Period	\$1,602	\$9,023	\$1,602	\$9,023

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

Divestco Inc. (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.

1. Basis of Presentation

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, 2006. 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 six months ended June 30, 2007 are not necessarily indicative of results to be expected for the entire year ending December 31, 2007. The Corporation 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 Corporation's revenue for its shot seismic data is recognized in the winter and spring seasons.

Certain figures with respect to the three and six months ended June 30, 2006 have been reclassified to conform to the current period's presentation.

2. Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the new Canadian accounting standards for Financial Instruments — Recognition and Measurement, Financial Instruments — Presentation and Disclosure, Hedging and Comprehensive Income. Prior periods have not been restated. The new standards establish guidelines for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. The Company has combined this new statement with its Statement of Income.

On January 1, 2007, an adjustment was made to classify deferred finance charges to long-term debt obligations for \$323,000.

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)


2. Changes in Accounting Policies *Continued...*

The new standards require all financial instruments to be classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost determined using the effective interest rate method. Transaction costs attributable to financial instruments classified as other than held-for-trading are included in the recognized amount of the related financial instrument and recognized over the life of the resulting financial instrument. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized as if the effective interest rate method had always been applied whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Amortization of premiums or discounts and losses due to impairment are included in current period net income.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income and reclassified to net income when derecognized or impaired.
- Held for trading financial instruments are measured at fair value. All gains and losses on derivatives that are not designated or do not qualify for hedge accounting are included in net income in the period in which they arise.
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value. All gains and losses are included in net income in the period in which they arise.

Under adoption of these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Bank indebtedness, accounts payable and accrued liabilities, and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

On adoption, the Company has elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantially modified on or after January 1, 2003. The impact of the change in accounting policy related to embedded derivatives was not material.



The Company had no “other comprehensive income or loss” transactions during the three and six months ended June 30, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

New Canadian accounting standards have been issued which will require additional disclosure in the Company’s financial statements commencing January 1, 2008, regarding the Company’s financial instruments as well as its capital and how it is managed.

3. Acquisitions

During the period ended June 30, 2007, the Company completed the following transactions and has included earnings of the acquiree in income for the current year since the date of acquisition:

- (a) On May 3, 2007, the Company acquired all of the issued and outstanding shares of BlueGrouse Seismic Solutions Ltd. (BlueGrouse). BlueGrouse provides seismic data to the oil and natural gas industry. BlueGrouse has four main components to its business model: Data Library, Multi-Client Services, Data Brokerage and Data Management.
- (b) On May 24, 2007, the Company acquired the Geomatics Business unit of Veritas Energy Services Partnership (Veritas). Veritas delivers survey audit and geospatial data management services to the seismic industry.
- (c) On June 19, 2007, the Company acquired all of the issued and outstanding shares of JMG Seismic Processing Ltd. and KRJ Seismic Processing Ltd., partners of Spectrum Seismic Processing Partnership (Spectrum). Spectrum provides a full range of onshore seismic data processing services in Western Canada.
- (d) On June 19, 2007, the Company acquired all of the issued and outstanding shares of i Land Data Ltd. (i Land). i Land provides data management related software to the oil and gas industry.

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

3. Acquisitions *Continued...*

The allocations of the purchase price for the acquisitions have not been finalized. The preliminary allocation of the purchase price, based on management's estimates, is as follows:

	BlueGrouse	Veritas	Spectrum	i Land	Total
Allocation of Purchase Price:					
Cash	\$602	\$-	\$49	\$94	\$647
Working Capital (Deficiency) ⁽¹⁾	(15,290)	444	291	74	(14,481)
Data Libraries	40,579	-	-	-	40,579
Participation Surveys in Progress	48	-	-	-	48
Property and Equipment	96	-	79	40	215
Non-competition Agreements	-	250	750	100	1,100
Customer Related Intangibles	2,700	300	190	100	3,290
Proprietary Software and Code	-	1,152	550	696	2,398
Goodwill	405	1,023	549	-	1,977
Convertible Debentures	(8,142)	-	-	-	(8,142)
Future Income Tax Liability	(2,221)	-	(484)	(288)	(2,993)
	\$18,777	\$3,169	\$1,876	\$816	\$24,638
Consideration:					
Cash (Including Acquisition Costs)	\$1,126	\$2,625	\$368	\$380	\$4,499
Promissory Notes	-	544	900	75	1,519
Fair Market Value of Options Exchanged	711	-	-	-	711
4,566,003 Common Shares	16,940	-	-	-	16,940
168,068 Common Shares	-	-	608	-	608
99,716 Common Shares	-	-	-	361	361
	\$18,777	\$3,169	\$1,876	\$816	\$24,638

(1) BlueGrouse includes current portion of long-term debt of \$3,300,000. No long-term portion.

The acquisitions were accounted for using the purchase method of accounting whereby identifiable assets acquired and liabilities assumed were recorded at their fair market values as at the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill.

4. Data Libraries

Balance as at	June 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Seismic Data Library	\$170,816	\$46,752	\$96,982	\$37,130
Data Sets	632	369	632	339
Log and Drilling Library	12,097	1,640	12,018	1,346
Reference Library	445	279	445	260
Map Library	239	48	239	40
	\$184,229	\$49,088	\$110,316	\$39,115
Net Book Value		\$135,141		\$71,201

5. Property and Equipment

Balance as at	June 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer Hardware and Software	\$7,450	\$3,477	\$6,707	\$2,825
Office Furniture and Equipment	1,560	550	1,517	475
Leasehold Improvements	1,136	414	706	290
Assets Under Capital Lease	2,056	1,182	1,746	1,047
Land	30	-	30	-
	\$12,232	\$5,623	\$10,706	\$4,637
Net Book Value		\$6,609		\$6,069

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

6. Deferred Development Costs

Balance as at	Jun 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$2,877	\$1,863
Salaries and Benefits (Net of Investment Tax Credits)	1,042	1,321
General and Administrative	234	296
Total Additions	\$1,276	\$ 1,617
Amortization ⁽¹⁾	(375)	(603)
Balance, End of Period	\$3,778	\$2,877

(1) Included in depreciation and amortization on the Statements of Income

7. Intangible Assets

Balance as at	Jun 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Non-competition Agreements	\$3,738	\$539	\$2,638	\$264
Customer Related Intangibles	10,985	2,388	7,695	1,640
Proprietary Software and Code	8,263	1,722	5,865	1,418
Office Leases Below Market Value	2,700	450	2,700	225
Well Logs License Agreement	750	444	750	382
	\$26,436	\$5,543	\$19,648	\$3,929
Net Book Value		\$20,893		\$15,719

8. Bank Indebtedness

On April 24, 2007 the Company replaced its existing operating lenders credit facilities with a new CAD \$60 million credit facility (Note 9(c)).

9. Long-Term Debt Obligations

Balance as at	Jun 30, 2007	Dec 31, 006
Capital Lease Obligations (a)	\$680	\$659
Promissory Notes (b)	2,886	1,423
Term Loan and Committed Revolver (c)	42,235	7,849
	\$45,801	\$9,931
Current Portion	\$(6,579)	\$(3,295)
Less: Deferred Finance Charges (d)	(1,266)	-
Long-term Portion	\$37,956	\$6,636

(a) **Capital lease obligations:** The Company has capital lease obligations, which have terms of two to three years and bear interest at 2% to 5.8% per annum. Minimum annual lease payments are as follows:

2007	\$501
2008	103
2009	76
	\$680

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

9. Long-Term Debt Obligations *Continued...*

(b) Promissory notes:

Balance as at	Jun 30, 2007	Dec 31, 006
Unsecured Promissory Notes issued on the acquisition of Focus, bearing interest of 6% per annum, repayable in quarterly instalments of \$39,000 plus interest until September 30, 2007.	\$117	\$117
Unsecured Promissory Notes issued on the acquisition of Cavalier Land, non-interest bearing, repayable in two instalments of \$625,000 on July 18, 2007 and July 18, 2008.	1,250	1,250
Unsecured Promissory Notes issued on the acquisition of Veritas, bearing interest of 6%, repayable on December 31, 2007.	544	-
Unsecured Promissory Notes issued on the acquisition of I Land, bearing interest of 7%, repayable on June 19, 2008.	75	-
Unsecured Promissory Notes issued on the acquisition of Spectrum, bearing interest of 6%, repayable in two instalments of \$550,000 on the June 19, 2008 and \$350,000 on June 19, 2009.	900	-
Unsecured Promissory Notes issued on the acquisition of PDS, bearing interest of 7%, fully repaid in one instalment of U.S. \$50,000 on March 31, 2007.	-	56
	2,886	1,423
Current Portion	(1,911)	(798)
Long-term Portion	\$975	\$625

Principal payments are as follows:

2007	\$1,911
2008	975
	\$2,886

(c) **Term loan:** On April 24, 2007 the Company secured \$60 million in aggregate credit facilities with Wells Fargo Financial Corporation Canada (WFFCC). The credit facilities are available in three tranches: a \$20 million committed Revolver and two \$20 million committed term loan facilities. Each tranche is a five-year committed facility from the April 2007 closing date. The Revolver draws are not required to be repaid until maturity, however if advances are paid down in advance they can be redrawn at a later date. Each draw on the term loan facilities is amortized over six years from the date of draw down and repaid on a monthly basis. The Company has two pricing options on all the credit facilities: floating Canadian Base Rate plus 2.00%, or Canadian LIBOR plus 3.25%. The facilities are subject to the Company meeting certain debt covenants. As at June 30, 2007, the Company was not in violation of any of its covenants.

The WFFCC bank facilities are secured by a first floating charge on all the Company's assets. Expectations are that the recently acquired WFFCC credit facilities and funds from operations will be sufficient in the short and long-term to meet planned growth and to fund future capital expenditures.

Principal payments are as follows:

2007	\$4,167
2008	4,167
2009	4,167
2010	4,167
2011	4,167
2012	21,400
	\$42,235

(d) Deferred finance charges:

Balance as at	Jun 30, 2007	Dec 31, 006
Balance, Beginning of Period	\$323	\$409
Additions	1,340	-
Accretion ⁽¹⁾	(397)	(86)
Balance, End of Period	\$1,266	\$323

(1) Included in interest expense on the Statements of Income

10. Convertible Debentures

Balance as at	Jun 30, 2007	Dec 31, 006
Balance, Beginning of Period	\$-	\$-
Additions	8,142	-
Equity Component	(609)	-
Balance, End of Period	\$7,533	\$-

The Company assumed convertible debentures through the acquisition of BlueGrouse (Note 3(a)). Each Debenture bears interest at a rate of 10% per annum and is convertible, in whole or in part, into Common Shares at a conversion price of \$4.48 per Common Share (Conversion Price) at any time on or before November 21, 2008 (Maturity Date). On or before the Maturity Date, the holders of the Debentures shall have the option of either converting their Debentures into Common Shares at the Conversion Price or receiving the cash value of the principal amount of the Debentures, plus any accrued and unpaid interest.

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

11. Equity Instruments

(a) Authorized: An unlimited number of voting common shares

(b) Issued:

Balance as at	June 30, 2007		December 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Common Shares				
Balance, Beginning of Period	35,399	\$47,752	29,874	\$25,631
Issued on Public Offering	-	-	2,300	12,075
Issued on Acquisitions	4,837	17,909	581	2,871
Issued as Retention Bonuses on Acquisitions for Loans Receivable	-	-	160	750
Cancellation of Shares Issued as Retention Bonuses	(17)	(79)	-	-
Reclassification to Common Shares on Share Purchase Loan Forgiveness	-	125	-	-
Exercise of Share Purchase Warrants - Cash Consideration	17	43	1,962	4,904
Exercise of Share Purchase Warrants - Reclassification of Fair Value	-	11	-	1,227
Exercise of Broker Compensation Options - Cash Consideration	220	440	129	258
Exercise of Broker Compensation Options - Reclassification from Contributed Surplus	-	172	-	101
Exercise of Stock Options - Cash Consideration	503	730	393	488
Exercise of Stock Options - Reclassification of Contributed Surplus	-	176	-	236
Share Issue Costs (Net of Future Taxes of \$Nil (2006 - \$366,000))	-	-	-	(789)
	40,959	\$67,279	35,399	\$47,752
Less Share Purchase Loans	-	(820)	-	(1,235)
Balance, End of Period	40,959	\$66,459	35,399	\$46,517
Share Purchase Warrants	Number of Warrants	Amount	Number of Warrants	Amount
Balance, Beginning of Period	538	\$337	2,500	\$1,564
Exercised	(17)	(11)	(1,962)	(1,227)
Balance, End of Period	521	\$326	538	\$337
Total Equity Instruments		\$66,785		\$46,854

(c) **Broker compensation options:** As at June 30, 2007, outstanding broker compensation options to purchase common shares were as follows:

Balance as at	Jun 30, 2007		Dec 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, Beginning of Period	220	\$172	349	\$273
Exercised	(220)	(172)	(129)	(101)
Balance, End of Period	-	\$-	220	\$172

(d) **Normal course issuer bid:** On January 9, 2007 the Company received approval from the TSX to repurchase up to 1,770,000 of its common shares at prevailing market prices commencing on January 15, 2007 and terminating on the earlier of the January 14, 2008 and the date on which the maximum number of common shares are purchased pursuant to the Issuer Bid. No shares have been repurchased for the period ended June 30, 2007.

(e) **Contributed surplus:**

Balance as at	Jun 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$2,008	\$1,269
Stock Compensation Expense	759	1,076
Fair Value of Stock Options Exchanged on Acquisition of BlueGrouse	711	-
Reclassification to Common Shares on Exercise of Options	(176)	(236)
Reclassification to Common Shares on Exercise of Broker Compensation Options	(172)	(101)
Reclassification to Common Shares on Share Purchase Loan Forgiveness	(125)	-
Balance, End of Period	\$3,005	\$2,008

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

11. Equity Instruments Continued...

- (f) **Stock Options:** The Company has established a stock option plan (the "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. 4,041,369 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, 2005	2,219	\$0.83 - \$3.00	\$1.55
Options Granted	1,079	\$3.23 - \$6.10	\$5.05
Exercised	(393)	\$0.83 - \$3.00	\$1.24
Forfeited	(139)	\$1.25 - \$6.10	\$3.39
Options Outstanding, December 31, 2006	2,766	\$0.83 - \$6.10	\$2.87
Options Granted ⁽¹⁾	862	\$2.40 - \$8.58	\$4.18
Exercised ⁽²⁾	(503)	\$1.00 - \$3.00	\$1.45
Forfeited ⁽³⁾	(241)	\$1.00 - \$8.58	\$5.39
Options Outstanding, June 30, 2007	2,884	\$1.00 - \$7.52	\$3.30

(1) Includes 337,000 BlueGrouse options that were exchanged for Divestco options and 445,000 options granted to officers and a director

(2) Includes 168,657 options held by officers and a director

(3) Includes 50,105 options held by officers and a director

Stocks options which were outstanding and vested as at June 30, 2007, are summarized as follows:

Options Outstanding	Option Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable Currently	Weighted Average Exercise Price of Options Exercisable
1,026	\$1.00 - \$2.39	\$1.30	2.12	978	\$1.28
976	\$2.40 - \$4.29	\$3.35	4.19	149	\$3.05
835	\$4.30 - \$6.19	\$5.45	3.97	182	\$5.89
47	\$6.20 - \$7.52	\$7.52	3.82	47	\$7.52
2,884	\$1.00 - \$7.52	\$3.30	3.39	1,356	\$2.31

The per share weighted average fair value of the stock options granted for the six months ended June 30, 2007, was \$1.33 (2006 – \$2.83). This was estimated using the Black-Scholes option pricing model with the following assumptions: an average expected volatility of 70% (2006 – 60%), an average risk free interest rate of 4.2% (2006 – 5.0%), no dividend rate and an expected life of five years. The compensation expense is recognized evenly over the three-year vesting period of the stock options. The options exchanged on the acquisition of BlueGrouse fully vested on the date of acquisition. Therefore there was no compensation expense was recognized during the period. The fair value has been included in the purchase price.

12. Statement of Cash Flows

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2007	2006	2007	2006
Interest and Income Taxes Paid				
Income Taxes Paid	\$315	\$-	\$315	\$-
Interest Paid (Net of Interest Revenue)	\$1,025	\$273	\$1,285	\$446
Changes In Non-cash Working Capital Balances				
Accounts Receivable	\$(1,436)	\$9,035	\$(2,815)	\$9,179
Investment Tax Credits Recoverable	-	(184)	651	(322)
Prepaid Expenses, Supplies and Deposits	460	312	206	117
Accounts Payable and Accrued Liabilities	(12,590)	6,606	(6,096)	11,178
Income Taxes Payable			5,862	-
Deferred Revenue	299	(3,267)	(4,113)	15,307
	\$(13,267)	\$12,502	\$(6,305)	\$35,459
Changes In Non-cash Working Capital Balances Related to Operating Activities	\$(6,454)	\$8,356	\$(4,628)	\$24,205
Changes In Non-cash Working Capital Balances Related to Investing Activities	(6,813)	4,146	(1,677)	11,254
	\$(13,267)	\$12,502	\$(6,305)	\$35,459

At June 30, 2007, the Company held \$185,000 (2006 - \$87,000) of cash and cash equivalents which were denominated in a foreign currency.

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

13. Related Party Transactions

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

- (a) During the six months ended June 30, 2007, the Company paid \$104,000 (2006 - \$228,000) in brokerage commissions to a company controlled by a director. Included in accounts payable as at June 30, 2007 was \$Nil (June 30, 2006 - \$Nil) related to these commissions.
- (b) During the six months ended June 30, 2007, the Company paid \$263,000 (2006 - \$197,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at June 30, 2007 was \$161,000 (June 30, 2006 - \$103,000) 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. Segmented Information

The Company is a technology driven 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. The Company operates in two geographic locations — Canada and the United States.

Software sells, maintains, and supports licensed software exploration products. Services provides seismic survey audit, processing and brokerage services as well as mapping, archiving and geophysical/geological services. Data provides a full suite of support data layers as well as developing and maintaining 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 finance, accounting, 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, 2006. 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 Statement of Income and Retained Earnings are not allocated to the reportable segments.

As at and for the Three Months Ended June 30, 2007

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,952	\$5,851	\$16,696	\$3,030	\$-	\$27,529
Inter-segment Revenue	-	-	495	-	-	495
Operating Income (Loss) ⁽¹⁾	519	(277)	9,194	(65)	(3,088)	6,283
Interest Expense (Net of Interest Revenue)	3	-	210	(12)	938	1,139
Depreciation and Amortization	343	744	5,171	325	48	6,631
Total Assets	10,849	26,659	158,361	12,274	1,629	209,763
Goodwill	1,266	4,652	405	4,172	-	10,495
Capital Expenditures ⁽²⁾	102	203	16,298	-	141	16,744
Deferred Development Costs	393	259	-	-	-	652

As at and for the Three Months Ended June 30, 2006

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,752	\$4,279	\$10,603	\$1,408	\$14	\$18,056
Inter-segment Revenue	-	-	-	-	-	-
Operating Income (Loss) ⁽¹⁾	589	202	4,208	(202)	(2,124)	2,673
Interest Expense (Net of Interest Revenue)	-	-	99	-	204	303
Depreciation and Amortization	289	378	4,357	15	34	5,073
Total Assets	9,352	21,695	105,431	2,787	1,918	141,183
Goodwill	1,266	3,081	-	878	-	5,225
Capital Expenditures ⁽²⁾	214	75	28,614	(7)	52	28,948
Deferred Development Costs	333	98	-	-	-	431

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

(2) Excludes acquisitions

Notes to Consolidated Financial Statements

June 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

14. Segmented Information *Continued...*

As at and for the Six Months Ended June 30, 2007						
	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$3,780	\$11,998	\$31,826	\$6,718	\$-	\$54,322
Inter-segment Revenue	-	-	1,822	-	-	1,822
Operating Income (Loss) ⁽¹⁾	728	514	17,217	136	(6,168)	12,427
Interest Expense (Net of Interest Revenue)	3	-	256	(20)	1,189	1,428
Depreciation and Amortization	728	1,136	10,355	640	89	12,948
Total Assets	10,840	26,659	158,361	12,274	1,629	209,763
Goodwill	1,266	4,652	405	4,172	-	10,495
Capital Expenditures ⁽²⁾	157	314	31,396	-	222	32,089
Deferred Development Costs	775	501	-	-	-	1,276

As at and for the Six Months Ended June 30, 2006						
	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$3,428	\$6,851	\$24,378	\$2,911	\$93	\$37,661
Inter-segment Revenue	-	140	-	-	-	140
Operating Income (Loss) ⁽¹⁾	1,051	858	9,930	(346)	(3,658)	7,835
Interest Expense (Net of Interest Revenue)	-	-	110	-	386	496
Depreciation and Amortization	557	519	10,740	25	68	11,909
Total Assets	9,352	21,695	105,431	2,787	1,918	141,183
Goodwill	1,266	3,081	-	878	-	5,225
Capital Expenditures ⁽²⁾	259	165	65,306	-	115	65,845
Deferred Development Costs	587	213	-	-	-	800

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

(2) Excludes acquisitions

As at and for the Three and Six Months Ended June 30, 2007			
	Canada	U.S.	Total
Revenue (Three Months Ended June 30, 2007)	\$26,899	\$630	\$27,529
Revenue	53,188	1,134	54,322
Data Libraries, Participation Surveys in Progress, Property and Equipment, Intangible Assets and Goodwill	168,215	5,444	173,659
As at and for the Three and Six Months Ended June 30, 2006			
	Canada	U.S.	Total
Revenue (Three Months Ended June 30, 2006)	\$16,796	\$1,260	\$18,056
Revenue	35,799	1,862	37,661
Data Libraries, Participation Surveys in Progress, Property and Equipment, Intangible Assets and Goodwill	102,930	5,799	108,729

15. Credit Risk

During the three months ended June 30, 2007, 53% of the Company's revenue was derived from three customers with a majority related to sales contacts for seismic participation surveys. As at June 30, 2007, these same customers accounted for 16% of the Company's total accounts receivable.

Corporate Information

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Board of Directors

John A. Brussa ^{1,3}
Stephen Popadynetz
Todd A. Chuckry
M. Scott Ratushny ^{2,4}
Edward L. Molnar ^{2,3}
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

Officers

Stephen Popadynetz
Chief Executive Officer

Terry Barnhart
President

Todd A. Chuckry
President - Divestco Seismic
Limited Partnership

Roderick Chisholm
Chief Financial Officer

Steve Sinclair-Smith
Chief Operating Officer

Mathew Hepton
VP Software Development

Shannon Niemi
VP Sales & Marketing

Cary Sabraw
VP U.S. Operations, Land

Oliver Kuhn
VP Processing

Peter Zyla
VP Strategy, Logs & Archive, Consulting

Lonn Hornsby
VP Operations - Divestco Seismic
Limited Partnership

Rob Oulton
VP Sales & Marketing - Divestco Seismic
Limited Partnership

Corporate Secretary

Faralee A. Chanin

Controller

Danny Chiarastella

Stock Exchange Listing

TSX: DVT

Lending Institutions

Wells Fargo Financial Corporation Canada

Registrar and Transfer Agent

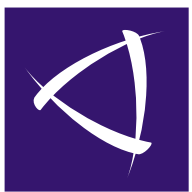
CIBC Mellon Trust Company

Auditors

KPMG LLP

Legal Counsel

Field LLP



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