

DIVESTCO INC.

**Annual General Meeting
June 3, 2004**

DVT – TSX Venture Exchange

“A Year in Review”

2003 Financial Review

- **Stock Symbol :** **DVT**
- **Shares Outstanding:** **25,423,091**
- **Management/Directors Ownership:** **37%**

Directors

John Brussa

Senior Partner, Burnet, Duckworth & Palmer LLP

Chairman, Audit Committee

Stephen Popadynetz

Chief Executive Officer, Divestco

Wade Brillon

Independent seismic broker

Audit Committee

M.Scott Ratushny

President, Southpoint Resources Ltd. and Eagle Equities Ltd.

Audit Committee

Edward L. Molnar

Independent businessman

M. Brent Gough (proposed)

President Sutton Energy, Mikwan Energy, and Weir Hill Energy

Officers

Stephen Popadynetz	Chief Executive Officer & acting Chief Financial Officer
Terry Barnhart	President
Steve Sinclair-Smith	VP Technical Services
Mathew Hepton	VP Software Development
Shannon Niemi	VP Sales & Marketing
Clare Bowie	VP Databases
Peter Ciavarella	VP Geological Software
Chuck Smith	VP Geomatics
Joanne Finnerty	Controller

Corporate History

- **Divestco initially formed to develop an internet based auction land system for mineral rights in Western Canada. System brought on-line early in 2001**
- **CDPubco purchased late in 2000. Reduces Divestco's reliance on data from 3rd parties and adds GeoVista browser to the Company's product line**
- **Divestco continues to increase its web-based product offerings. Purchases shares of Petromap Inc. in Jan 2001.**
- **Brokerage division commences operations. Assets acquired from Pulse Data, Seisview and Rock Mountain Data in 2002**
- **Share purchases of Kernel Technologies , Dynamic Solutions and Digi-Rule in 2002, greatly expand software product lines. WinPICS, Oil Expert and a suite of geological and log management applications added to the product mix**

Corporate History

- **2003 – 2 major share acquisitions– The Excalibur-Gemini Group Ltd. and International Datashare Corporation (“IDC”)**
- **Excalibur-Gemini brings with it mapping, geophysical survey audit, imaging and archiving divisions, creating a whole new business segment for Divestco**
- **IDC – Divestco acquires the GeoCarta product line and valuable Canadian and US log libraries. Adds US operations through an IDC subsidiary, Riley Electric Log**
- **Divestco commences trading on the TSX Venture Exchange under the symbol “DVT” on September 29, 2003**
- **Divestco sells its US operations for gross proceeds of US \$9 million in December 2003**

Business Segments

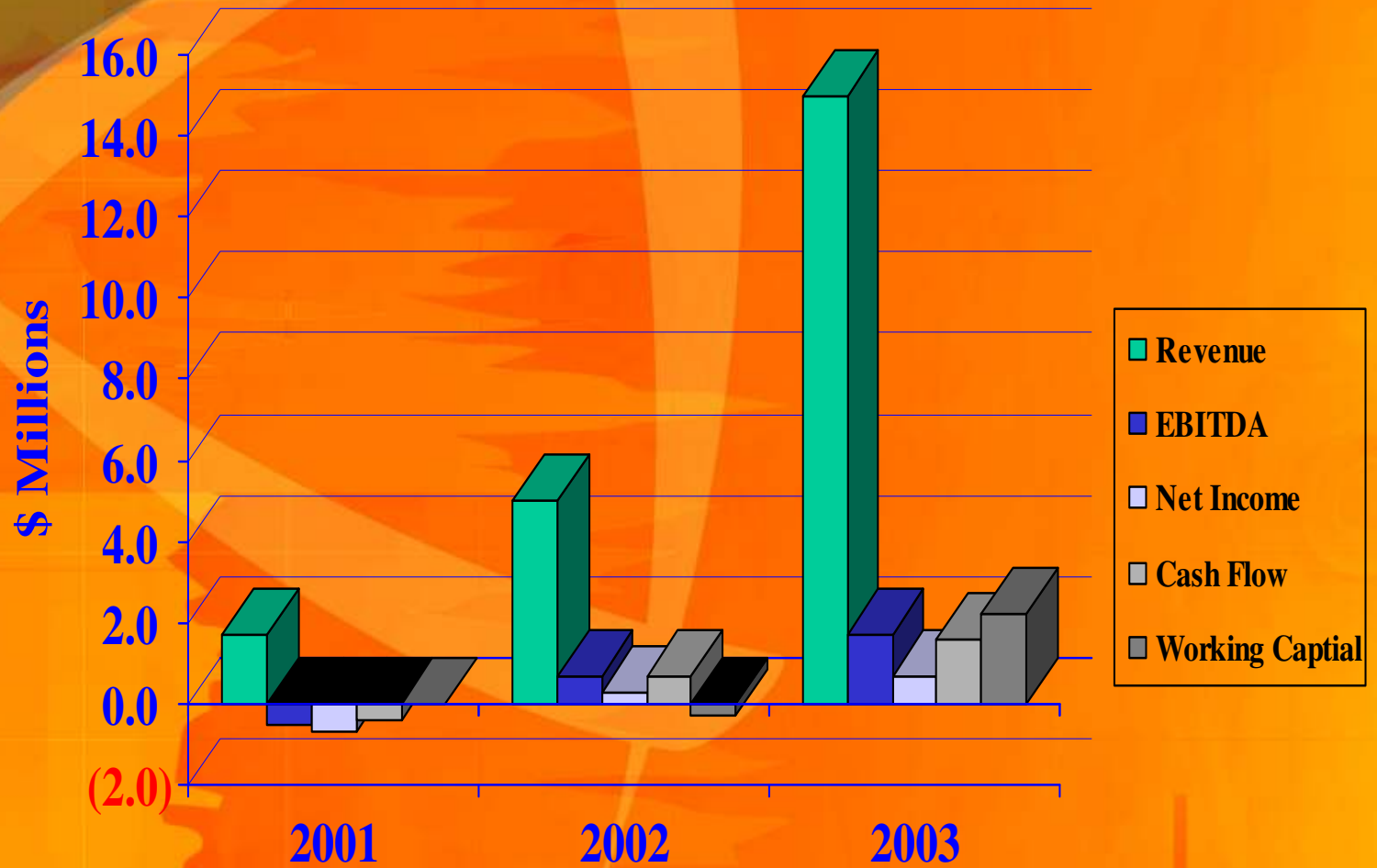
- **Services**
- **Data**
- **Software**
- **Brokerage**

“this has given Divestco a unique position in the market place, as it is the only company to offer these services together under one roof” – 2003 Annual Report

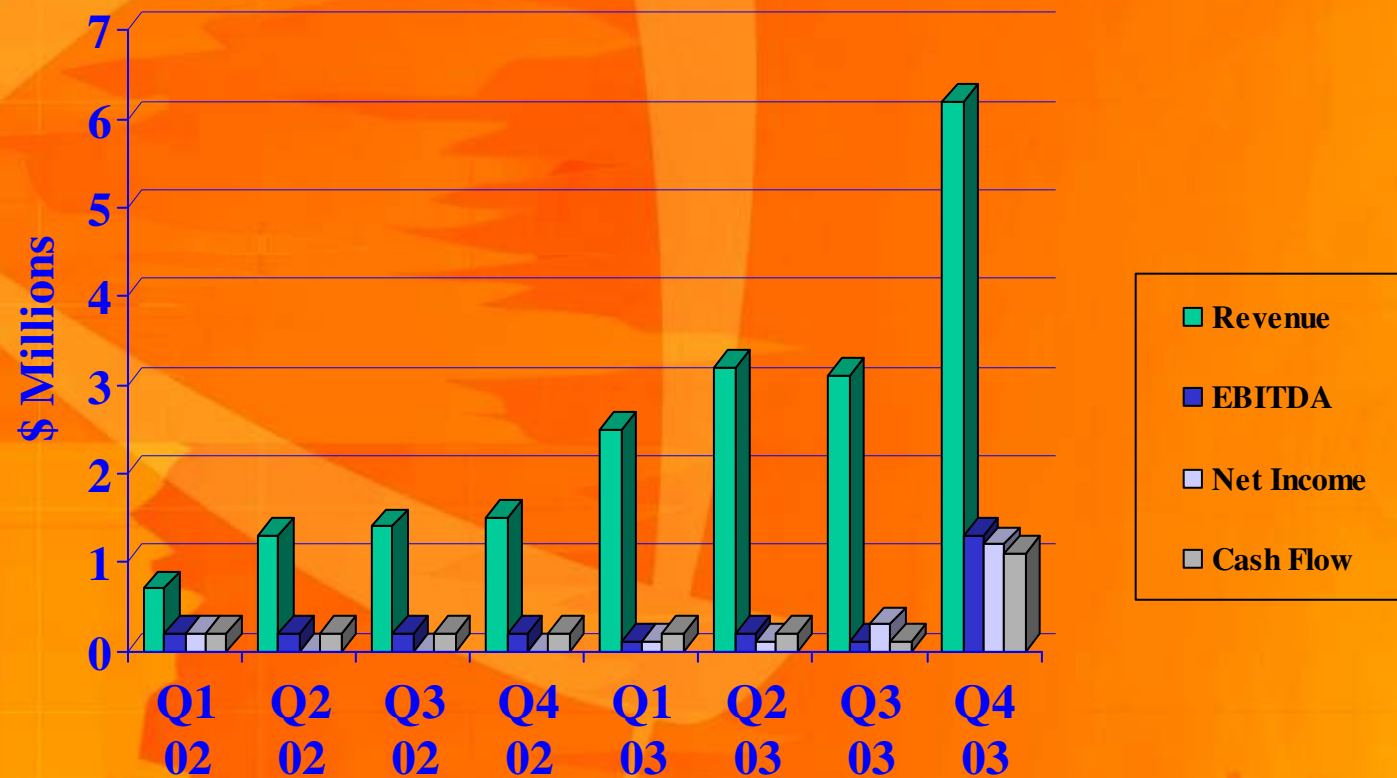
Financial Highlights 2003

For the year ended	2003	2002	% Change
Revenue	15,042,564	4,969,189	203
EBITDA	1,696,557	698,587	143
Net Income from Continuing Operations	471,626	250,064	89
Per Share	0.027	0.021	29
Net Income	719,132	250,064	188
Per Share	0.042	0.021	100
Cash Flow from Continuing Operations	1,650,230	703,073	135
Per Share	0.096	0.059	63
Cash Flow	1,629,336	703,073	132
Per Share	0.094	0.059	59
Working Capital	2,219,813	(336,344)	760
Total Assets	24,194,999	6,349,769	281
Weighted Average Number of Shares	17,228,894	11,783,568	

Financial Highlights 2003



Financial Highlights 2003



Results of Operations 2003

- **Revenues grew to \$15.0 million in 2003 from \$5.0 million in 2002 and \$1.7 million in 2001.**
- **EBITDA grew by almost \$1 million from 2002 and over \$2 million from 2001**
- **Net income increased by 188% and 200% from 2002 and 2001, respectively**
- **Key was strategic acquisitions made in 2002 and 2003 leading to the:**
 - **Decrease of reliance on 3rd parties for data**
 - **Expansion Divestco's software line to complement newly acquired data**
 - **Assembly of the largest seismic brokerage operation in Canada**

Financial Highlights Q1 2004

For the 3 months ended	2004	2003	% Change
Revenue	6,197,528	2,484,358	149
EBITDA	1,475,698	97,453	1,414
Net Income	802,810	(102,249)	885
Per Share	0.032	(0.007)	557
Cash Flow	1,461,772	153,779	841
Per Share	0.057	0.010	470
Working Capital ¹	(4,233,347)	2,219,813	(291)
Total Assets ¹	29,967,085	24,194,199	24
Weighted Average Number of Shares	25,423,091	12,324,456	
¹ 2003 is as at December 31, 2003			

Corporate Highlights Q1 2004

- **Divestco continued its strong financial performance from Q4 2003**
- **2004 Q1 income exceeded income for all of 2003**
- **3 significant transactions took place, some of which are taking the Company into a new direction:**
 - 1) **Purchase of seismic data library from a major oil and gas producer**
 - 2) **Management of the 3D Gunnell seismic project**
 - 3) **Commencement of a \$10 million seismic participation survey**

Working Capital

Working capital deficiency as at March 31, 2004 was due to:

- **Issuance of \$4.25 million in short-term debentures in Q1 04, used to partially finance seismic data purchase.**
- **Accrual recorded for participation survey capital expenditures of \$0.8 million**

Divestco is doing the following to improve its working capital position:

- **Payment of \$0.8 million was made on April 1, 2004**
- **Divestco is nearing completion of securing new credit facilities with HSBC Bank Canada. \$3 million line for day-to-day operations and a \$US Capital Loan. Previous line was \$1.1 million**
- **The Capital Loan will be used to repay the debentures. This loan will be repaid by December 31, 2004. Payments we are receiving from the sale of our US operations, previously assigned to the debenture holders, will be assigned to this loan**

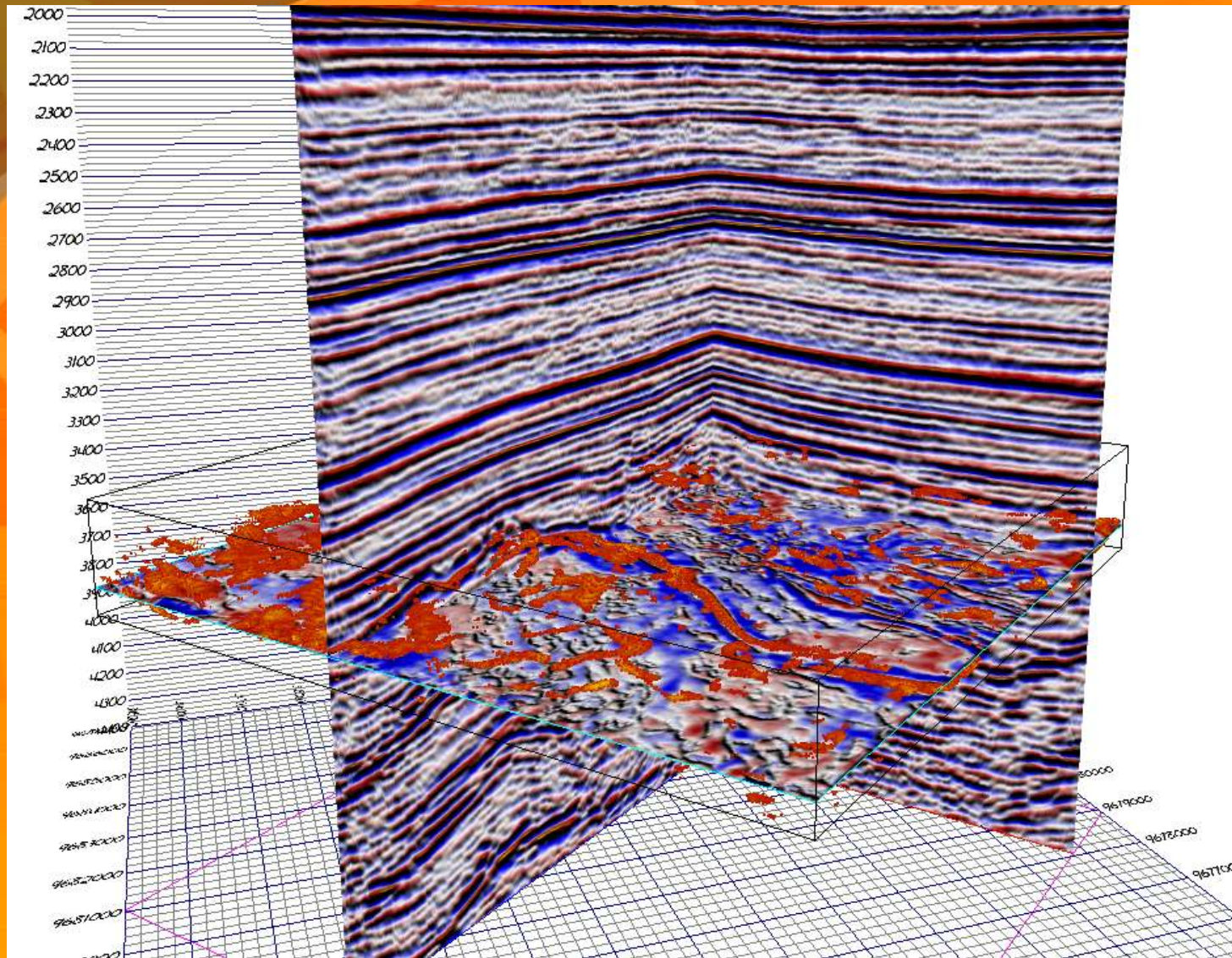
Operational Targets for 2004

- **Structure new leasing arrangement with NE Office landlord to renovate space (make it functional for all existing business units) – Deal struck in April**
- **Consolidate Office space in Calgary to no more than 2 offices (Downtown and NE)**
- **Sublease excess space in existing lease agreements**
- **Construct downtown located training center**
- **Reduce Overhead by 750K**

Software Objectives 2004

- **Release Major New versions of flagship products**
 - WinPics, MapQ, Geovista, and Geocarta
- **Release 3 New Software Products**
 - GeoCarta Tools, DataStore and Envision3d
- **Integrate existing product lines to provide increased functionality for clients**
- **Ready Product Lines for full US Releases and Marketing campaigns**

Envision3d Sneak Peak



Data Objectives 2004

- **Augment existing seismic database with new multi-client programs and potential acquisitions – Divestco entered into first multi-client shoot in Kelly Lakes, BC**
- **Complete raster log library and return IDC's database to best of breed caliber**
- **Complete freehold land database**
- **Commence the creation of full DST chart library**

Services Objectives for 2004

- **Gain new corporate customers by offering service, software and data bundles – commenced with Petro Canada data offering**
- **Provide software interface (DataStore) to customers for seamless access to Geophysical Services**
- **Consolidate Archive, Imaging and Log divisions into 1 location providing for improved efficiencies, lower overhead and integrated infrastructure**

Brokerage Objectives for 2004

- **Continue to expand proprietary seismic data inventory for resale to customers through brokerage division**
- **Expand our marketing exposure through adding available seismic layer to existing software installations**
- **Refinement of Brokerage Data Mgmt software (SDManager & SDB) to improve internal efficiencies and release eBroker to general community**

Corporate Objectives for 2004

- **Acquire 1-2 US corporations with synergistic product/data lines to create a marketing beachhead**
 - More cost effective than opening offices and staffing up
- **Develop marketing strategies for Far East, Europe and Middle East – China marketing arrangement now complete**
- **Acquire 2-3 Canadian based companies with synergistic product lines**
- **Move Divestco from Vancouver to the Toronto Stock Exchange**

Financial Targets for 2004

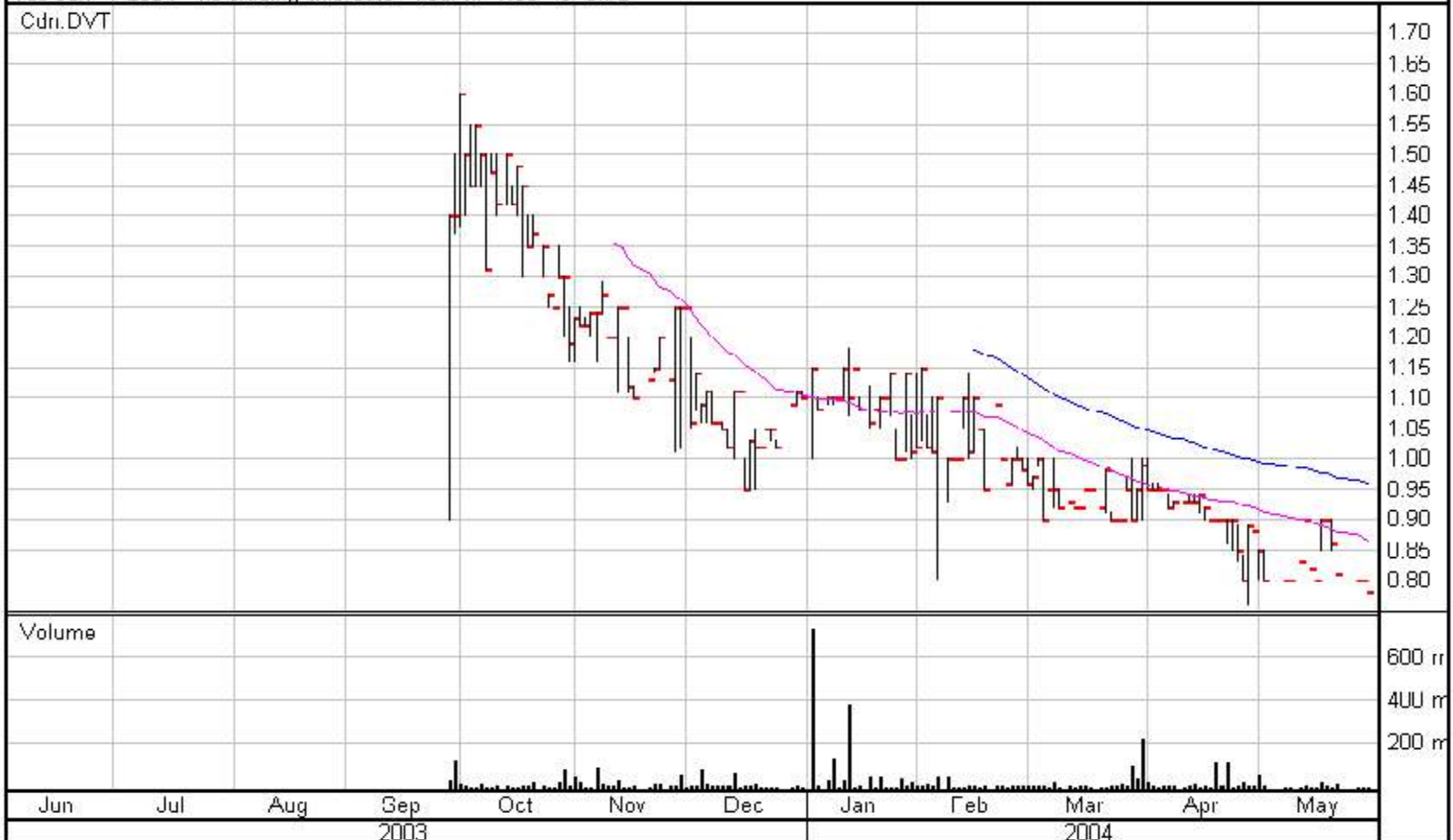
- **Gross Revenue in excess of \$26.0 Million**
- **Earnings of \$0.14/share in 2004**
- **Cash flow of \$0.25/share in 2004**
- **20% internally generated revenue growth**
- **20% additional revenue generated through corporate acquisitions**

Stock Price Chart

C - DVT - DIVESTCO INC. - 1 year | [3 year](#) | [5 year](#)

Simple Moving Avg (30)  Simple Moving Avg (90) 

Historic Chart for Cdn:DVT by Stockwatch.com 604.687.1500 - (c) 2004
Tue Jun 1 2004 no trading this date Year hi=1.60 lo=0.76



What is Divestco doing for Shareholders?

- **Build investor confidence by continuing to produce solid profits and growth**
- **Institute normal course issuer bid to repurchase a maximum of 5% of shares**
- **Institute small shareholder repurchase - > 500**
- **Asset reunification program – locate lost shareholders**
- **Continue with employee purchase plan**
- **Attract institutional/large investors**
 - Difficult with our current size but several large investors have expressed an interest in DVT
- **Is Investor Relations a problem at Divestco?**
 - IR is only effective when we have results we can point to!
 - Management planning extensive road show over the next 3 weeks
- **Should Management look at strategic alternatives?**
 - Managements interest are directly aligned with shareholders
 - 7% of all purchases of Divestco shares in 2003 were insiders
 - Management met all objectives in 2003 – save one : stock price

Conclusion

Thank you for attending Divestco's first annual
general meeting



Divestco Inc.

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