



## **PRESS RELEASE**

### **DIVESTCO INC. ANNOUNCES ACQUISITION OF CAVALIER LAND LTD.**

Calgary, Alberta, July 18, 2006 - DIVESTCO INC. (TSX: DVT) ("Divestco" or the "Corporation") is pleased to announce that it has acquired all of the issued and outstanding shares of Calgary based Cavalier Land Ltd. ("Cavalier") and its affiliate Agadir Resources Inc. ("Agadir"), for C\$7.5 million. At closing, C\$4.375 million of the purchase price was paid in cash and C\$1.875 million worth of Divestco common shares were issued at a deemed price of \$5.09 per share (subject to a 4-month hold period). The share price was based on Divestco's 45-day weighted average trading price ending on the day prior to this announcement. The TSX has granted conditional approval for the share issuance. The remaining C\$1.25 million will be paid over a two-year period subject to certain milestones. All payments are subject to the conditions set out in the Acquisition Agreement. Invico Capital Advisory Services Inc. provided corporate advisory services to Cavalier with respect to the transaction.

It is expected that once operational synergies are achieved, Cavalier will contribute to the Corporation approximately \$8 million in revenue and in excess of \$2 million in EBITDA on an annualized basis. In the near term Cavalier will operate as a wholly owned subsidiary of Divestco.

Cavalier was formed in 1993 by Robert Drew and Garry Cook, and has established itself as one of Western Canada's leading land services companies with operations through out the region. Agadir is an affiliated resource company 100% owned by Mr. Drew and Mr. Cook. Mr. Drew and Mr. Cook will continue to manage the day-to-day operations of Cavalier. For more information, please visit there website at: [www.cavalierland.ab.ca](http://www.cavalierland.ab.ca)

Mr. Stephen Popadynetz, Chief Executive Officer of Divestco commented: "This acquisition is a perfect fit with our LandRite system (Laser Software acquisition) and allows Divestco to increase its offerings to the land departments of Western Canadian based oil and gas companies. With the comprehensive integrated solutions we already provide, Divestco is excited to extend additional synergies to our clients. We feel this deal will be both an excellent addition for our shareholders and for our clients."

Divestco is an innovative software, data, services, brokerage and consulting company providing integrated solutions for the oil and gas industry. By implementing a strategy of integration between our software, services, and datasets, and potentially all three together, we are creating a unique set of offerings. Divestco is headquartered in Calgary, Alberta, Canada and trades on the TSX under the symbol "DVT".

**For more information please contact:**

**Divestco Inc.**  
([www.divestco.com](http://www.divestco.com))

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*The TSX has not reviewed nor accepts responsibility for the adequacy or accuracy of this news release. Statements in this document that may be considered forward-looking are based on management's current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.*

*Earnings before interest, taxes, depreciation and amortization ("EBITDA"); "operating income"; "funds from operations", and "funds from operations per share (basic and diluted)" are not measures that have any standardized meaning prescribed by Canadian GAAP and are considered non-GAAP measures. Therefore, these measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Corporation's results, liquidity, and its ability to generate funds to finance its operations.*