



PRESS RELEASE

DIVESTCO REPORTS RECORD NET INCOME AND REVENUE FOR Q3 2006 AND ISSUES REVISED FISCAL 2006 GUIDANCE

November 7, 2006, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) is pleased to announce its 12th consecutive profitable quarter and operating results for the three and nine months ended September 30, 2006. Divestco has earned a record \$3.8 million (11 cents per share – diluted) in net income for the third quarter of 2006 compared to \$1.3 million in 2005 (5 cents per share - diluted), an increase of 188%. For the nine months ended September 2006, the Company earned a record \$10.9 million in net income (33 cents per share – diluted) compared to \$3.5 million (14 cents per share – diluted) in 2005, a 211% increase.

Divestco generated record revenue of \$38.3 million for the third quarter of 2006, an increase of \$30.4 million (382%) from \$7.9 million for the same period in 2005. Earnings before interest, taxes and amortization (“EBITDA”) were \$26.4 million, a \$23.5 million (811%) increase over the same period in 2005. The Company generated funds from operations of \$26.3 million for the third quarter, an increase of \$23.4 million (814%) as compared to \$2.9 million for the same period in 2005.

Divestco generated revenue of \$75.9 million for the first nine months of 2006, an increase of \$50.0 million (193%) from \$25.9 million for the same period in 2005. Earnings before interest, taxes and amortization (“EBITDA”) were \$46.4 million, a \$35.5 million (328%) increase over the same period in 2005. The Company generated funds from operations of \$45.9 million for the first nine months of 2006, an increase of \$35.5 million (341%) as compared to \$10.4 million for the same period in 2005.

Excluding deferred revenue of \$3.1 million (September 2005 - \$1.8 million), Divestco exited the quarter with an \$18.2 million working capital deficiency. As at the end of the third quarter, Divestco was negotiating several large seismic inventory sales to various major oil & gas producers. Divestco confirms that subsequent to the end of the quarter, the Company has closed over \$24 million dollars worth of gross inventory sales of which the Company will receive net proceeds of approximately \$19.7 million, of which \$17 million of the inventory sales will be recognized in the fourth quarter of 2006. In addition, during the month of October 1.1 million warrants were exercised for total proceeds to the Company of \$2.8 million. Divestco expects to be in a positive working capital position by the end of 2006.

Mr. Stephen Popadynetz, CEO of Divestco commented: “I am pleased to report our third quarter results and revised guidance (see below) to our shareholders, Board and employees. We exited

the third quarter with significant demand for our seismic inventory datasets, and we have successfully converted some of this demand into record inventory sales. Despite field seismic acquisition cost overruns and a general industry slowdown, Divestco has again achieved record results. In the first nine months of this year, we have closed \$20 Million in corporate acquisitions, shot \$70 Million of new seismic data and have experienced record organic growth in our services, software and data divisions. We have done this while only issuing \$12.1 million of new equity and adding no additional long-term debt. Despite our short-term working capital deficiency, Divestco has quickly restored its balance sheet and is poised for new and continued growth. Our shareholders have been rewarded with our 12th consecutive profitable quarter and our most impressive quarter to date. Our revised fiscal 2006 guidance further reflects the continued strength of Divestco's operations and I look forward to continued profitability as we exit 2006 and enter into 2007."

Financial Results (Thousands, Except Per Share Amounts)						
	Three Months Ended Sep 30			Nine Months Ended Sep 30		
	2006	2005	% Change	2006	2005	% Change
Revenues	\$ 38,257	\$ 7,944	382%	\$ 75,918	\$ 25,880	193%
Operating Expenses	11,851	5,044	135%	29,541	15,050	96%
EBITDA	26,406	2,900	811%	46,377	10,830	328%
Interest	340	11	2991%	836	124	574%
Depreciation and Amortization	20,270	904	2142%	31,911	5,249	508%
Operating Income	5,796	1,985	192%	13,630	5,457	150%
Other Income (loss)	(48)	51	N/A	2,060	29	7003%
Income Tax Expense	1,965	724	171%	4,766	1,974	141%
Net Income	\$ 3,783	\$ 1,312	188%	\$ 10,924	\$ 3,512	211%
Per Share - Basic	0.11	0.05	120%	0.34	0.14	143%
Per Share - Diluted	0.11	0.05	120%	0.33	0.14	136%
Funds from Operations	\$ 26,252	\$ 2,872	814%	\$ 45,901	\$ 10,414	341%
Per Share - Basic	0.77	0.11	600%	1.44	0.41	251%
Per Share - Diluted	0.73	0.10	630%	1.38	0.40	245%
Shares Outstanding	34,221	29,793	15%	34,221	29,793	15%
Weighted Average Shares Outstanding						
Basic	33,972	26,938	26%	31,907	25,399	26%
Diluted	35,778	27,847	28%	33,368	25,754	30%

Q3 Operational Highlights

On July 18, 2006, the Company closed the acquisition of Calgary based Cavalier Land Ltd. (“Cavalier”) and its affiliate Agadir Resources Inc. (“Agadir”) for consideration of C\$7.5 million (C\$4.4 million in cash at closing, C\$1.9 million in common shares of Divestco at a deemed price per share of \$5.09 and the balance of C\$1.2 million will be paid over a two-year period). The Company funded the acquisition from the proceeds of a public offering completed in June 2006, and internally generated cash flow. It is expected that once operational synergies are achieved, Cavalier will contribute approximately \$8 million in revenue, and in excess of \$2 million in EBITDA, on an annualized basis to the Company. In the near term, Cavalier and Agadir will operate as wholly owned subsidiaries of Divestco and be reported within the Consulting segment.

In the third quarter of 2006, Divestco completed the shooting of 1,100 square kilometers of 3D seismic at total cost of \$46.5 million. The four completed programs were Tremblay, Upper Cut Bank, Teepee Creek and Debolt East. By the end of December 2006, Divestco expects to acquire and retain 100% ownership in approximately 240 square kilometers of newly shot 3D seismic data at an aggregate cost of \$3.1 million.

Revised 2006 Guidance

Including the announced library sales and participation contracts signed subsequent to quarter-end, the expected contribution from the recent acquisition of Cavalier and the continued strong performance from each of its divisions, Divestco is projecting revised revenue for fiscal 2006 of \$105-110 million, EBITDA of \$65-70 million, and net income of \$22-25 million. This compares to the previously fiscal 2006 guidance released on June 19, 2006, where Divestco projected revenues of \$95-100 million, EBITDA of \$45-50 million, and net income of \$14-17 million.

Seismic Outlook for 2007

The Company continues to negotiate sales on its seismic library inventory while continuing to plan and finalize contracts around its new seismic participation programs for 2007. At this point, it is expected that the company will shoot between \$40-60 million in participation programs in 2007.

Divestco Inc.
Consolidated Balance Sheets

As at	Sep 30, 2006	Dec 31, 2005
(Thousands)	(unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 902	\$ 1,382
Short-term investments	-	5,512
Accounts receivable	18,857	27,053
Prepaid expenses, supplies and deposits	872	427
Investment tax credits recoverable	486	-
	21,117	34,374
Long-term accounts receivable	660	960
Investment in affiliated company	76	79
Data libraries	68,508	28,740
Participation surveys in progress	387	2,719
Property and equipment	6,390	3,495
Deferred development costs	2,638	1,863
Deferred finance costs	344	409
Intangible assets	16,397	4,128
Goodwill	8,518	3,431
	\$ 125,035	\$ 80,198
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness	\$ 12,591	\$ -
Accounts payable and accrued liabilities	23,272	17,624
Current portion of deferred revenue	3,086	10,355
Current portion of long-term debt obligations	3,457	2,880
	42,406	30,859
Deferred revenue	1,043	402
Long-term debt obligations	7,209	8,724
Future income taxes	8,979	2,989
	59,637	42,974
Shareholders' Equity		
Equity instruments	44,082	27,195
Contributed surplus	1,632	1,269
Retained earnings	19,684	8,760
	65,398	37,224
	\$ 125,035	\$ 80,198

Divestco Inc.
Consolidated Statements of Income and Retained Earnings

(Thousands, except per share amounts - Unaudited)	For the three months ended		For the nine months ended	
	September 30		September 30	
	2006	2005	2006	2005
Revenue	\$ 38,257	\$ 7,944	\$ 75,918	\$ 25,880
Operating expenses				
Salaries and benefits	7,831	3,452	18,594	10,902
General and administrative	3,519	1,349	9,827	3,578
Research and development	166	144	434	314
Stock compensation expense	335	99	686	256
	11,851	5,044	29,541	15,050
Interest expense	340	11	836	124
Depreciation and amortization	20,270	904	31,911	5,249
Other income (loss)				
Foreign exchange loss	(55)	9	(69)	(4)
Gain on sale of investment securities	-	-	2,132	-
Gain on sale of property and equipment	-	30	-	30
Equity investment loss	7	12	(3)	3
	(48)	51	2,060	29
Income before income taxes	5,748	2,036	15,690	5,486
Income taxes				
Current	99	-	277	-
Future	1,866	724	4,489	1,974
	1,965	724	4,766	1,974
Net income for the period	3,783	1,312	10,924	3,512
Retained earnings, beginning of period	15,901	5,782	8,760	3,918
Purchase price of common shares repurchased in excess of book value	-	-	-	(336)
Retained earnings, end of period	\$ 19,684	\$ 7,094	\$ 19,684	\$ 7,094
Earnings per share				
Basic	\$ 0.11	\$ 0.05	\$ 0.34	\$ 0.14
Diluted	\$ 0.11	\$ 0.05	\$ 0.33	\$ 0.14
Weighted average number of shares				
Basic	33,972	26,938	31,907	25,399
Diluted	35,778	27,847	33,368	25,754

Divestco Inc.
Consolidated Statements of Cash Flows

(Thousands - Unaudited)	For the three months ended September 30		For the nine months ended September 30	
	2006	2005	2006	2005
Cash flows from operating activities				
Net income for the period	\$ 3,784	\$ 1,312	\$ 10,924	\$ 3,512
Items not affecting cash:				
Equity investment loss (gain)	(7)	(12)	3	(3)
Depreciation and amortization	20,270	904	31,911	5,249
Future income taxes	1,866	724	4,489	1,974
Investment tax credits utilized	-	(120)	-	(546)
Gain on sale of investment securities	-	-	(2,132)	-
Gain on sale of property and equipment	-	(30)	-	(30)
Unrealized foreign exchange loss	4	(5)	20	2
Stock compensation expense	335	99	686	256
Funds from operations	26,252	2,872	45,901	10,414
Changes in non-cash working capital balances	(23,833)	(2,184)	372	(1,649)
Increase (decrease) in non-current deferred revenue	(725)	(956)	641	(212)
Decrease in long-term accounts receivable	300	(962)	300	(713)
	1,994	(1,230)	47,214	7,840
Cash flows from financing activities				
Bank indebtedness	3,721	(2,703)	12,591	(2,383)
Issue of common shares, net of related expenses	(461)	9,373	13,404	9,502
Repayment of long-term debt obligations	(818)	(267)	(2,188)	(1,042)
Deferred financing costs	22	(138)	65	(138)
Proceeds received from long-term debt obligations	-	5,000	-	5,783
Repurchase of common shares	-	-	-	(822)
	2,464	11,265	23,872	10,900
Cash flows from investing activities				
Purchase of data libraries	(46,463)	(660)	(69,332)	(8,418)
(Increase) decrease in participation surveys in progress	44,604	(94)	2,331	(132)
Purchase of property and equipment	(737)	(298)	(1,264)	(955)
Purchase of intangibles	-	-	(176)	-
Acquisition of Cavalier	(3,514)	-	(3,514)	-
Acquisition of Geo-X Processing	-	-	(11,487)	-
Acquisition of Canamera Equities	-	(1,655)	-	(1,655)
Acquisition of Canamera Corporation	-	(2,494)	-	(2,494)
Acquisition of Petro Data Source Inc.	-	-	-	(343)
Purchase of investment securities	-	-	(109)	-
Proceeds on sale of investment securities	-	-	7,753	-
Proceeds on sale of property and equipment	-	30	-	30
Deferred development costs	(243)	(221)	(775)	(815)
Changes in non-cash working capital balances	(6,221)	(754)	5,033	(65)
	(12,574)	(6,146)	(71,540)	(14,847)
Foreign exchange loss on cash held in a foreign currency	(5)	(12)	(26)	(16)
Increase in cash and cash equivalents	(8,121)	3,877	(480)	3,877
Cash and cash equivalents, beginning of period	9,023	-	1,382	-
Cash and cash equivalents, end of period	\$ 902	\$ 3,877	\$ 902	\$ 3,877

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".

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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.

The terms working capital, 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. Accordingly, 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.

These non-GAAP measures are calculated as follows: working capital is current assets less current liabilities; EBITDA is used to describe earnings before any deduction for net interest, taxes, depreciation and amortization, and other non-cash charges such as foreign exchange gain (loss), equity investment income (loss), and gain (loss) on sale of property and equipment as well as short-term investments; operating income is EBITDA less interest, and depreciation and amortization; funds from operations is calculated by adding or deducting items not affecting cash from net income (loss); funds from operations per share - basic and diluted is funds from operations divided by the weighted average number of shares outstanding (basic and diluted) for the relevant period.

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 principle business activities, even prior to the consideration of how those activities are financed or how the results are taxed. Management also uses 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.