



PRESS RELEASE

DIVESTCO REPORTS 18th CONSECUTIVE PROFITABLE QUARTER

May 5, 2008, Calgary, AB (TSX: DVT) – Divestco Inc. (Divestco or the Company) is pleased to announce its operating results for the three months ended March 31, 2008. Divestco generated revenue of \$30.1 million for the first quarter of 2008, an increase of \$3.3 million (12%) from \$26.8 million for the same period in 2007. Earnings before interest, taxes and amortization (EBITDA) were \$16.3 million, a \$3.5 million (28%) increase over the same period in 2007. The Company generated funds from operations of \$14.1 million (\$0.32 per share – diluted) for the first quarter, an increase of \$8.4 million (148%) as compared to \$5.7 million (\$0.15 per share – diluted) for the same period in 2007.

Divestco earned \$3.1 million in net income for the first quarter of 2008 compared to \$4.1 million in 2007. The Company earned 8 cents per share – basic (7 cents per share – diluted) for the first quarter of 2008. This compares to 11 cents per share – basic and diluted for the same period in 2007.

Divestco is pleased with its results, considering the continuing impact of the overall industry slowdown which was exacerbated by the Alberta Government's Royalty Review in the fall of 2007. Alberta customers' capital budgets were reduced and, as such, this resulted in a corresponding reduction in demand for some of the Company's services and seismic participation programs in Alberta. Divestco maintains a strong data and service presence in and outside of Alberta, and has witnessed an increase in activity in British Columbia (BC) and Saskatchewan which partially offset the decreases in the Alberta related revenue. Divestco has positioned many of its assets in areas where oil and gas investments must be made, thus providing a hedge to potential reduced activity levels.

Divestco is pleased to report aggregate data library (inventory) sales totaling approximately \$11.9 million for the first quarter of 2008. This represents an increase of \$4.9 million (69%) compared to \$7 million of aggregate library sales for the same period in 2007. Seismic participation revenue was \$6.9 million compared to \$8.1 million in 2007, a decrease of \$1.2 million (15%).

Excluding the current portion of deferred revenue of \$9.6 million (December 31, 2007 – \$4.4 million), Divestco exited the quarter with a \$26 million working capital deficiency compared to a \$28.1 million deficiency at the end of 2007. Divestco is focused on strengthening the balance sheet and expects the seasonal working capital shortfall will be remedied in the latter half of fiscal 2008.

Q1 Operational Highlights

- Divestco increased its seismic dataset with the acquisition of three additional field surveys comprised of approximately 395 square kilometers of 3D seismic at a cost of approximately \$9.7 million. This data is strategic in nature and compliments our existing seismic datasets in two core areas: Cutbank Ridge (BC) and Debolt (Alberta). With these data acquisitions complete, Divestco continues to control the largest independent 3D seismic library in BC.
- Divestco acquired an additional 4,330 gross kilometres of 2D and 250 gross square kilometres of 3D legacy seismic data for approximately \$1.5 million.
- The Software segment increased its quarterly revenue by \$401,000 (22%), due to growth in traditional product lines and a large software consulting project that commenced in the second quarter of 2007.

Mr. Stephen Popadynetz, CEO of Divestco commented: “I am pleased to report our 2008 first quarter results to our shareholders, Board and employees. Our business model continues to produce positive results and our shareholders have been rewarded with our eighteenth consecutive profitable quarter. With stabilized natural gas prices on the horizon and an ever increasing pipeline of opportunities, we are looking forward to improved economic conditions and results for the remainder of the year. We look forward to continued growth, innovation and profitability as we move through 2008.”

Financial Results (Thousands, Except Per Share Amounts)			
	Three Months Ended March 31		
	2008	2007	% Change
Revenues	\$ 30,054	\$ 26,793	12%
Operating Expenses	13,706	14,041	-2%
EBITDA	16,348	12,752	28%
Interest	1,284	289	344%
Depreciation and Amortization	10,257	6,318	62%
Operating Income	4,807	6,145	-22%
Other Income (Loss)	15	(20)	N/A
Income Tax Expense	1,708	2,054	-17%
Net Income	\$ 3,114	\$ 4,071	-24%
Per Share - Basic	0.08	0.11	-27%
Per Share - Diluted	0.07	0.11	-36%
Funds from Operations	\$ 14,065	\$ 5,662	148%
Per Share - Basic	0.34	0.16	113%
Per Share - Diluted	0.32	0.15	113%
Shares Outstanding	41,766	35,747	17%
Weighted Average Shares Outstanding			
Basic	41,461	35,451	17%
Diluted	43,691	36,568	19%

Segment Review Summary

For the three months ended March 31, 2008 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 2,229	\$ 5,624	\$ 18,748	\$ 3,453	\$ -	\$ 30,054
EBITDA	809	727	16,575	186	(1,949)	16,348
Interest (Net of Interest Revenue)	-	-	-	(6)	1,290	1,284
Depreciation and Amortization	421	594	8,836	356	50	10,257
Operating Income (Loss)	388	133	7,739	(164)	(3,289)	4,807

For the three months ended March 31, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,828	\$ 6,147	\$ 15,130	\$ 3,688	\$ -	\$ 26,793
EBITDA	594	1,183	13,253	509	(2,787)	12,752
Interest (Net of Interest Revenue)	-	-	48	(8)	249	289
Depreciation and Amortization	386	392	5,183	315	42	6,318
Operating Income (Loss)	208	791	8,022	202	(3,078)	6,145

Divestco Inc.
Consolidated Balance Sheets

As at	Mar 31, 2008	Dec 31, 2007
(Thousands)	(Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,689	\$ 2,466
Funds held in trust	489	678
Accounts receivable	34,825	27,083
Prepaid expenses, supplies and deposits	1,921	1,794
	39,924	32,021
Investment in affiliated company	74	72
Data libraries	163,778	161,354
Participation surveys in progress	7,394	1,047
Property and equipment	5,966	5,981
Deferred development costs	4,912	4,736
Intangible assets	19,164	20,208
Goodwill	10,090	10,090
	\$ 251,302	\$ 235,509
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 45,555	\$ 39,391
Income taxes payable	6,781	7,286
Current portion of deferred revenue	9,633	4,351
Current portion of long-term debt obligations	5,898	5,889
Convertible debentures	7,699	7,533
	75,566	64,450
Deferred revenue	173	530
Long-term debt obligations	39,654	38,400
Future income taxes	13,564	13,406
	128,957	116,786
Shareholders' Equity		
Equity instruments	69,021	68,690
Contributed surplus	3,838	3,661
Equity portion of convertible debentures	609	609
Retained earnings	48,877	45,763
	122,345	118,723
	\$ 251,302	\$ 235,509

Divestco Inc.

Consolidated Statements of Income, Comprehensive Income and Retained Earnings

	For the three months ended March 31	
	2008	2007
(Thousands, except per share amounts - Unaudited)		
Revenue	\$ 30,054	\$ 26,793
Operating expenses		
Salaries and benefits	9,320	9,572
General and administrative	4,128	4,092
Stock compensation expense	258	377
	13,706	14,041
Interest expense	1,284	289
Depreciation and amortization	10,257	6,318
Other income (loss)	15	(20)
Income before income taxes	4,822	6,125
Income taxes		
Current	1,550	7,195
Future (reduction)	158	(5,141)
	1,708	2,054
Net income and comprehensive income for the period	3,114	4,071
Retained earnings, beginning of period	45,763	28,375
Retained earnings, end of period	\$ 48,877	\$ 32,446
Earnings per share		
Basic	\$ 0.08	\$ 0.11
Diluted	\$ 0.07	\$ 0.11
Weighted average number of shares		
Basic	41,461	35,451
Diluted	43,691	36,568

Divestco Inc.
Consolidated Statements of Cash Flows

	For the three months ended March 31	
	2008	2007
(Thousands-Unaudited)		
Cash flows from operating activities		
Net income for the year	\$ 3,114	\$ 4,071
Items not affecting cash:		
Equity investment loss (gain)	(2)	4
Depreciation and amortization of data libraries, property and equipment and intangible assets	10,012	6,094
Amortization of deferred development costs	245	224
Amortization of deferred finance costs	97	22
Accretion of liability portion of convertible debentures	166	-
Future income taxes (reduction)	158	(5,141)
Unrealized foreign exchange loss	-	11
Non-cash retention bonus	17	-
Stock compensation expense	258	377
	14,065	5,662
Changes in non-cash working capital balances	(6,415)	1,820
Increase (decrease) in non-current deferred revenue	(357)	(58)
Decrease in long-term accounts receivable	-	140
	7,293	7,564
Cash flows from financing activities		
Bank indebtedness	-	2,943
Advances to affiliated company	-	(7)
Issue of common shares, net of related expenses	233	618
Repayment of long-term debt obligations	(1,198)	(683)
Proceeds received from long-term debt obligations	2,071	-
	1,106	2,871
Cash flows from investing activities		
Purchase of data libraries	(10,966)	(10,154)
Increase in participation surveys in progress	(6,347)	(4,832)
Purchase of property and equipment	(123)	(356)
Proceeds on sale of property and equipment	5	-
Deferred development costs	(421)	(623)
Changes in non-cash working capital balances	9,676	5,136
	(8,176)	(10,829)
Foreign exchange loss on cash held in a foreign currency	-	(11)
Increase in cash and cash equivalents	223	(405)
Cash and cash equivalents, beginning of period	2,466	1,437
Cash and cash equivalents, end of period	\$ 2,689	\$ 1,032

Divestco is a growth-oriented company that provides a comprehensive and integrated portfolio of data, software, services and consulting to the oil and gas industry. Through continued commitment to align and bundle products and services to generate value for our customers, Divestco is creating an unparalleled set of integrated solutions and unique benefits for the marketplace. Divestco is headquartered in Calgary, Alberta, Canada and trades on the Toronto Stock Exchange 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.

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

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

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