



PRESS RELEASE

DIVESTCO REPORTS 15th CONSECUTIVE PROFITABLE QUARTER AND SIGNIFICANT INCREASE IN DATA LIBRARY SALES

August 13, 2007, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) is pleased to announce its operating results for the three and six months ended June 30, 2007. Divestco generated revenue of \$27.5 million for the second quarter of 2007, an increase of \$9.4 million (52%) from \$18.1 million for the same period in 2006. Earnings before interest, taxes and amortization (“EBITDA”) were \$14.1 million, a \$6.1 million (75%) increase over the same period in 2006. The Company generated funds from operations of \$13.8 million for the second quarter, an increase of \$5.6 million (68%) as compared to \$8.2 million for the same period in 2006.

Divestco generated revenue of \$54.3 million for the first six months of 2007, an increase of \$16.6 million (44%) from \$37.7 million for the same period in 2006. Earnings before interest, taxes and amortization (“EBITDA”) were \$26.8 million, a \$6.6 million (32%) increase over the same period in 2006. The Company generated funds from operations of \$19.4 million for the first six months, a decrease of \$0.6 million (3%) as compared to \$20.0 million for the same period in 2006.

Divestco earned \$4.2 million (10 cents per share – diluted) in net income for the second quarter of 2007 compared to \$3.6 million in 2006 (11 cents per share – diluted). For the six months ended June 30, 2007, the Company earned \$8.2 million of net income (21 cents a share- diluted) compared to \$7.1 million (22 cents a share-diluted) in 2006, a 15% increase over the same period last year.

As previously announced, unusually heavy snow pack in certain regions of Alberta and British Columbia resulted in a number of contracted seismic surveys expected to be completed in the first quarter being rescheduled for completion later in the year, weather permitting. This weather impact continued to affect the Company in Q2 with one of the wettest springs on record. Again, a number of contracted seismic surveys expected to be completed in the second quarter were rescheduled for completion later in the year, weather permitting.

The Company is pleased to report that offsetting the weather delayed participation revenue, the Company has achieved record year to date aggregate data library sales totaling approximately \$22 million for the first six months of 2007. This compares to approximately \$5.5 million during the same period in 2006.

Excluding the current portion of deferred revenue of \$8.9 million (December 31, 2006 – \$11.6 million), Divestco exited the second quarter with a minor \$4.6 million working capital deficiency compared to a \$14 million deficiency at the end of the first quarter, a \$9.4 million dollar improvement. The working capital deficiency is mainly attributed to \$6.4 million in current taxes payable primarily associated with the Company's limited partnership and the assumption of current liabilities as a result of the acquisitions made in the quarter. This minor working capital shortfall is expected to be temporary, given the results expected throughout the remainder of the year combined with the new banking arrangements closed in the second quarter that appropriately match asset classes.

Financial Results (Thousands, Except Per Share Amounts)						
	Quarter Ended Jun 30			Six Months Ended Jun 30		
	2007	2006	% Change	2007	2006	% Change
Revenues	\$ 27,529	\$ 18,056	52%	\$ 54,322	\$ 37,661	44%
Operating Expenses	13,476	10,007	35%	27,519	17,421	58%
EBITDA	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	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	\$ 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%

Q2 Operational Highlights

- \$6.1 million (57%) increase in Data revenue related to: the acquisition of BlueGrouse Seismic Solutions Ltd., delivery of two 3D seismic data surveys and a significant amount of data library sales.
- \$1.6 million (37%) increase in Services revenue related mainly to the purchase of the Geomatics business unit from CCGVeritas in May 2007 and the Seismic Processing division from Geo-X in May 2006.
- \$1.6 million (115%) increase in Consulting revenue primarily resulting from the Cavalier Land acquisition in the third quarter of 2006.

Q2 Corporate Finance and Acquisitions Summary

During the six-month period ended June 30, 2007, the Company completed the following acquisitions.

- On April 20, 2007 The Company closed a new CAD \$60 million bank facility with Wells Fargo Financial Corporation Canada (“WFFCC”) a part of US based Wells Fargo & Company (“Wells Fargo”). Divestco utilized a portion of the proceeds to replace its previous senior and term debt providers and will utilize the remaining proceeds to fund future growth initiatives.
- 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. BlueGrouse shareholders received 0.3125 Divestco shares for each BlueGrouse share held.
- On May 23, 2007 the Company completed a purchase from Red Star Oil & Gas Inc. and acquired the remaining ownership interest the Cutbank Ridge 3D data (Halfmoon and Windsor Creek surveys totaling approximately 1060 sq. kms.), which the Company already controlled, for \$9.6 million.
- On May 24, 2007, the Company acquired the Geomatics Business unit of Veritas Energy Services Partnership (a division of CGGVeritas operating in Canada) (Veritas) for a total consideration of \$3.2 million. Veritas delivers survey audit and geospatial data management services to the seismic industry.
- On June 11, 2007 the Company acquired 100% ownership interest in Cutbank Ridge 3D data (West Cutbank survey totaling approximately 190 sq. kms.) for a total consideration of \$3.6 million from two oil and gas producers.
- 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 Limited Partnership (Spectrum) for a total consideration of \$1.9 million. 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) for a total consideration of \$0.8 million. i Land provides data management related software to the oil and gas industry.

Mr. Stephen Popadynetz, CEO of Divestco commented: “From a corporate transaction perspective this has been one of the busiest quarters in Divestco’s history. I am pleased to report our second quarter results of 2007 to our shareholders, Board and employees. Our business model continues to produce positive results and our shareholders have been rewarded with our fifteenth consecutive profitable quarter. I look forward to continued growth, integration, innovation and profitability as we move to the second half of 2007.”

Segment Review Summary

For the three months ended June 30, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,952	\$ 5,851	\$ 16,696	\$ 3,030	\$ -	\$ 27,529
EBITDA	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	519	(277)	9,194	(65)	(3,088)	6,283

For the three months ended June 30, 2006 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,752	\$ 4,279	\$ 10,603	\$ 1,408	\$ 14	\$ 18,056
EBITDA	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	589	202	4,208	(202)	(2,124)	2,673

For the six months ended June 30, 2007 (Thousands)						
	Software	Services	Data	Consulting	Other	Total
Revenue	\$ 3,780	\$ 11,998	\$ 31,826	\$ 6,718	\$ -	\$ 54,322
EBITDA	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	728	514	17,217	136	(6,168)	12,427

For the six months ended June 30, 2006 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 3,428	\$ 6,851	\$ 24,378	\$ 2,911	\$ 93	\$ 37,661
EBITDA	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	1,051	858	9,930	(346)	(3,658)	7,835

Divestco Inc.
Consolidated Balance Sheets

As at	Jun 30, 2007	Dec 31, 2006
(Thousands - Unaudited)		
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	135,141	71,201
Participation surveys in progress	521	2,721
Property and equipment	6,609	6,069
Deferred development costs	3,778	2,877
Deferred finance costs	-	323
Intangible assets	20,893	15,719
Goodwill	10,495	8,518
	\$ 209,763	\$ 132,942
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness	\$ -	\$ 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	6,579	3,295
	44,474	35,841
Deferred revenue	165	260
Long-term debt obligations	37,956	6,636
Convertible debentures	7,533	-
Future income taxes	12,624	12,968
	102,752	55,705
Shareholders' Equity		
Equity instruments	66,785	46,854
Contributed surplus	3,005	2,008
Equity portion of convertible debentures	609	-
Retained earnings	36,612	28,375
	107,011	77,237
	\$ 209,763	\$ 132,942

Divestco Inc.

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	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	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 the 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
Diluted	41,646	33,538	39,875	32,435

Divestco Inc.
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 intangibles	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	(6,454)	8,356	(4,628)	24,205
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	595	11,426	1,213	13,866
Repayment of long-term debt obligations	(10,809)	(710)	(11,494)	(1,370)
Deferred 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	(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	(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

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.

“Working Capital”; 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 Company’s results, liquidity, and its ability to generate funds to finance its operations.

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 prior to the consideration of how those activities are financed or how the results are taxed. Management also utilizes 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.

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