

# Divestco Inc.



## Annual & Special Meeting

**June 2, 2005**

[www.divestco.com](http://www.divestco.com)

TSX-V:DVT



# OFFICERS

**Stephen Popadynetz – CEO**

**Terry Barnhart – President**

**Roderick Chisholm – Chief Financial Officer**

**Steve Sinclair-Smith – VP Technical Services**

**Mathew Hepton – VP Software Development**

**Shannon Niemi – VP Sales & Marketing**

**Peter Ciavarella – VP Geological Software**

**Chuck Smith – VP Geomatics**

**Cary Sabraw – VP Logs and Archiving**

**Joanne Finnerty – Controller**

# BOARD OF DIRECTORS

**John Brussa – Chairman** <sup>(1)(2)</sup>

**Stephen Popadynetz**

**Wade Brillon**

**M. Scott Ratushny** <sup>(1)(3)</sup>

**Edward L. Molnar** <sup>(2)</sup>

**Brent Gough** <sup>(1)(2)(3)</sup>

**Faralee Chanin – Corporate Secretary**

<sup>(1)</sup> Member of Audit Committee

<sup>(2)</sup> Member of Compensation Committee

<sup>(3)</sup> Member of Corporate Governance Committee

[www.divestco.com](http://www.divestco.com)

TSX-V: DVT



# FINANCIAL REVIEW – 2004

- **Stock Symbol :** DVT (TSX-V)
- **Shares Outstanding:** 24,529,022 ( < 4% from 2003)
- **Insider Ownership:** 42% ( > 5% from 2003)

# FINANCIAL HIGHLIGHTS - 2004

For the year ended Dec 31 (\$000's, except per share)	2004	2003	% Change
Revenue	\$25,912	\$15,043	72%
EBITA	6,745	1,697	297%
Operating Income	3,520	153	2201%
Income from continuing operations	3,948	471	738%
Per share (basic)	0.156	0.027	478%
Per share (diluted)	0.155	0.027	474%
Income from discontinued operations	-	248	(100)%
Net Income	3,948	719	449%
Per share (basic)	0.156	0.042	271%
Per share (diluted)	0.155	0.041	278%

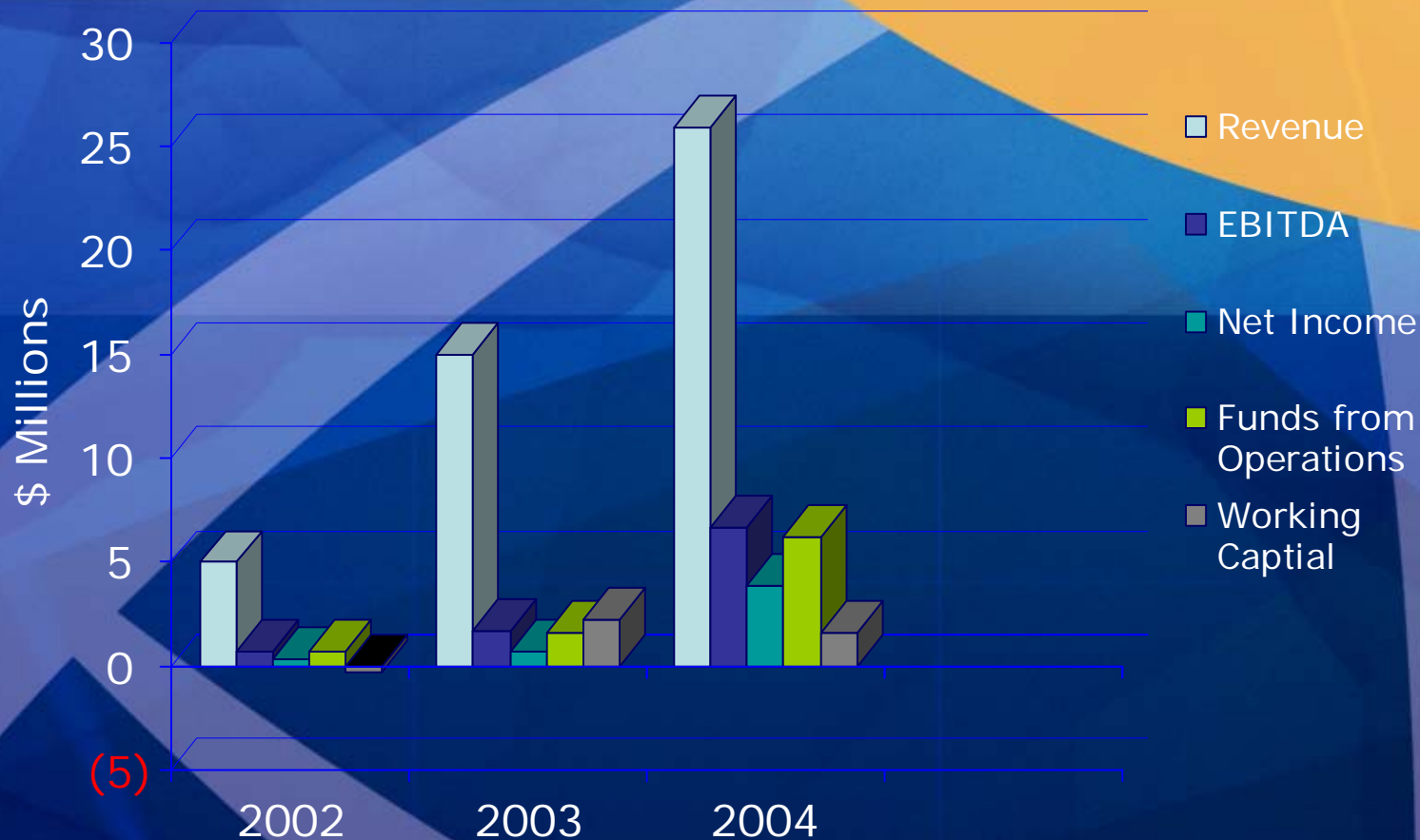
# FINANCIAL HIGHLIGHTS - 2004

For the year ended Dec 31 (\$000's, except per share)	2004	2003	% Change
Funds from continuing operations	6,245	1,650	278%
Per share (basic)	0.247	0.096	157%
Per share (diluted)	0.247	0.094	163%
Funds from operations	6,245	1,629	283%
Per share (basic)	0.247	0.095	160%
Per share (diluted)	0.246	0.093	165%
Number of shares outstanding	24,985,000	25,423,091	
Weighted average number of shares outstanding			
Basic	25,308,266	17,228,894	
Diluted	25,388,826	17,483,437	

# FINANCIAL HIGHLIGHTS - 2004

- Revenues grew to a record \$25.9 million in 2004 from \$15.0 million in 2003 and \$5.0 million in 2002
- EBITA grew by more than \$5 million from 2003 and over \$6 million from 2002
- Net income increased by more than 400% and 1400% from 2003 and 2002, respectively

# FINANCIAL HIGHLIGHTS BY YEAR



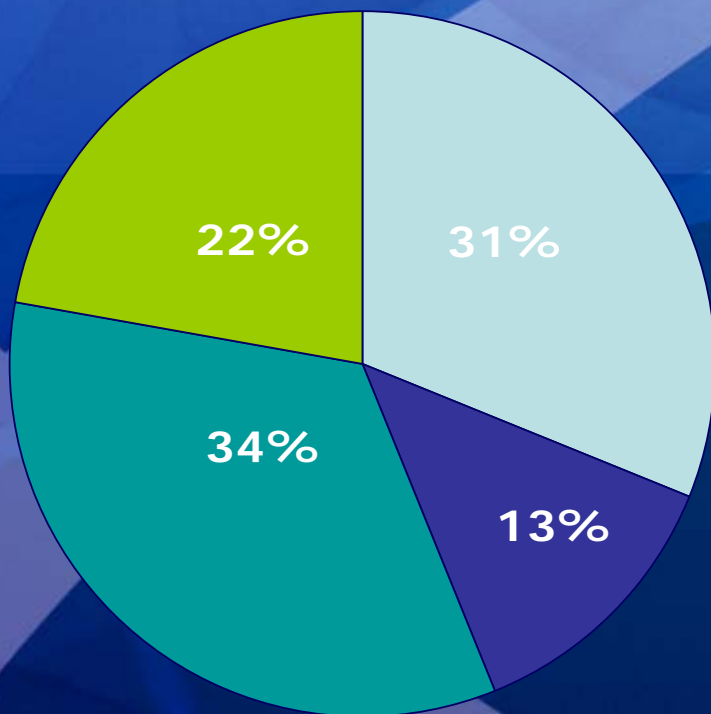
# RESULTS OF OPERATIONS - 2004

## Key factors:

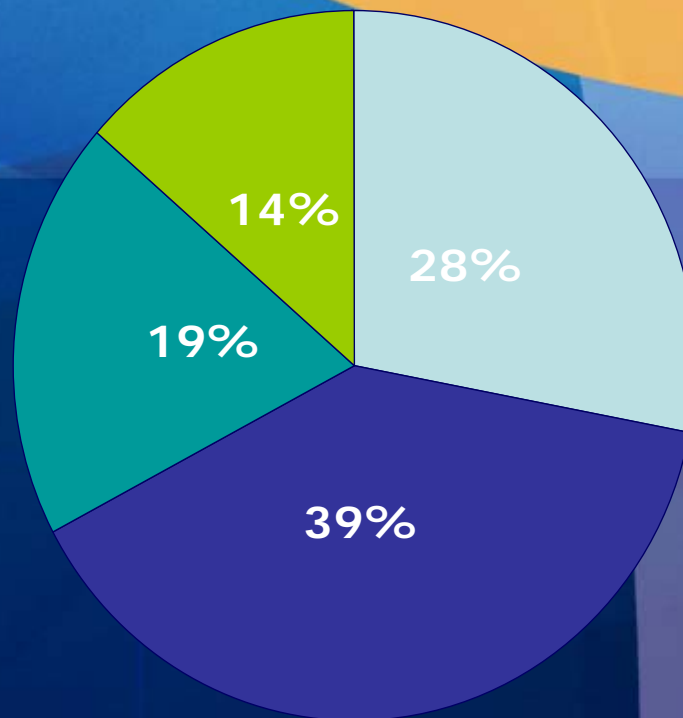
- Purchase of PetroCanada's Seismic Database and a successful bundling of seismic, software, and archiving with sales exceeding \$3 million
- Completion of the Kelly Lakes and Gunnell 3D seismic surveys
- Record year in Services, Data and Software

# SOURCES OF REVENUE

2003



2004

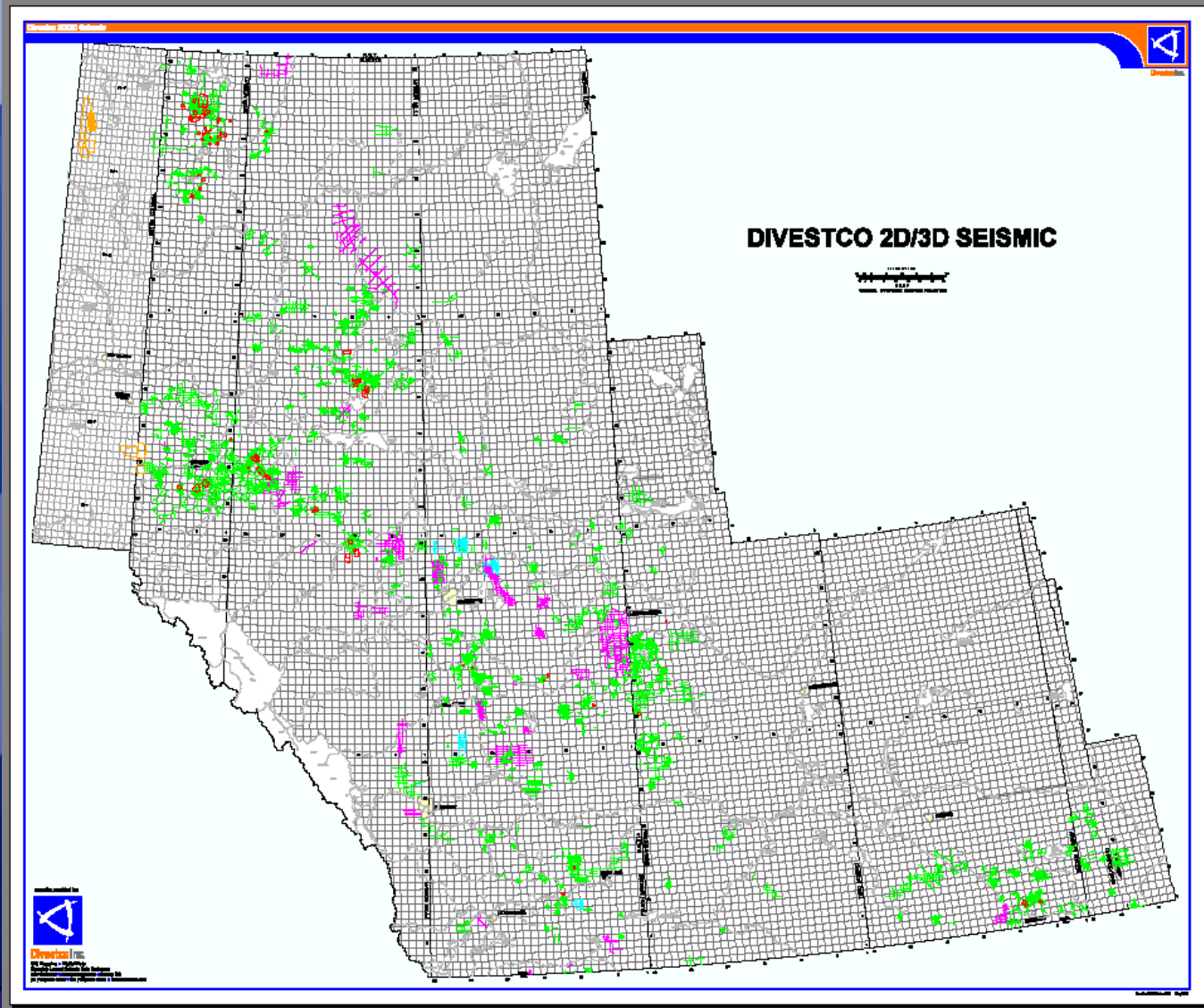


Services Data Software Brokerage

# DATA – 2004

- Purchase of PetroCan Dataset and Introduction of Unique Bundled Package
- Shot Gunnell & Kelly Lakes and commenced the shooting of Halfmoon Creek, Windsor Creek, Graham Lake and Red Willow (2400 Sq. Km's of new high quality 3d seismic data)
- Purchase of SVC's Interest in 20,000 km's of Seismic
- Acquisition of Westcan Oil Maps

# DIVESTCO SEISMIC DATABASE



# SOFTWARE – 2004

- Launch of GeoCarta Tools
- Integration of WinPics, GeoVista & Geological Tools
- Several new releases for many of our products
- Formalization of our Technical Writing and QA Group
- SR&ED claims for over \$1 million

# INTEGRATED SOFTWARE

## GEOVISTA

## WINPICS

## WINPICS 5.1

[www.divestco.com](http://www.divestco.com)

TSX-V:DVT



# BROKERAGE – 2004

- Record year in brokerage Sales
- Introduction of eBroker & SDManager
- Sold over 3 million in PetroCan Bundles
- Petro Can Line by Line Sales increased by approximately 50% in spite of bundle sales

# SERVICES - 2004

- **DataStore Development Begins**
- **Data Loading Plays Big role In PetroCan Dataset Bundle**
- **Record years in Archiving and Audit and 2<sup>nd</sup> Best Year in Mapping/Database**
- **Introduction of eBroker & SDManager**

# OPERATIONAL HIGHLIGHTS - 2004

## NE Data Centre

- Completed \$1 Million Renovation
- Consolidated offices and relocated DigiRat Manufacturing and Archiving into the NE
- Sublet 12,000 Sq. Ft. of space to the Government of Canada (reducing our effective costs by approximately 1/3 in the NE)
- Divested our lease obligations on a warehouse in NE, the downtown Sun Life Office and the Downtown Mobil Tower Office
- Reduced staff count through new process and operational efficiencies
- Constructed downtown training centre

# REVIEW 2004 TARGETS

“DVT completed 89% of all targets laid out at 2004 AGM”

## Financial Targets

**Gross Revenue**

Projected

**\$26MM**

Actual

**\$26MM**

**Earning/Share**

**\$0.14**

**\$0.16**

**Funds/Share**

**\$0.25**

**\$0.25**

## Major Corporate Objectives

**Acquire 1 -2 US Companies**

- Completed Acquisition of PDS in April/05

**Acquire 2 - 3 Canadian Companies**

- Completed Acquisition of WestCan in September/04
- Completed Acquisition of SVC Assets in December/04

**Integrate Software Applications**

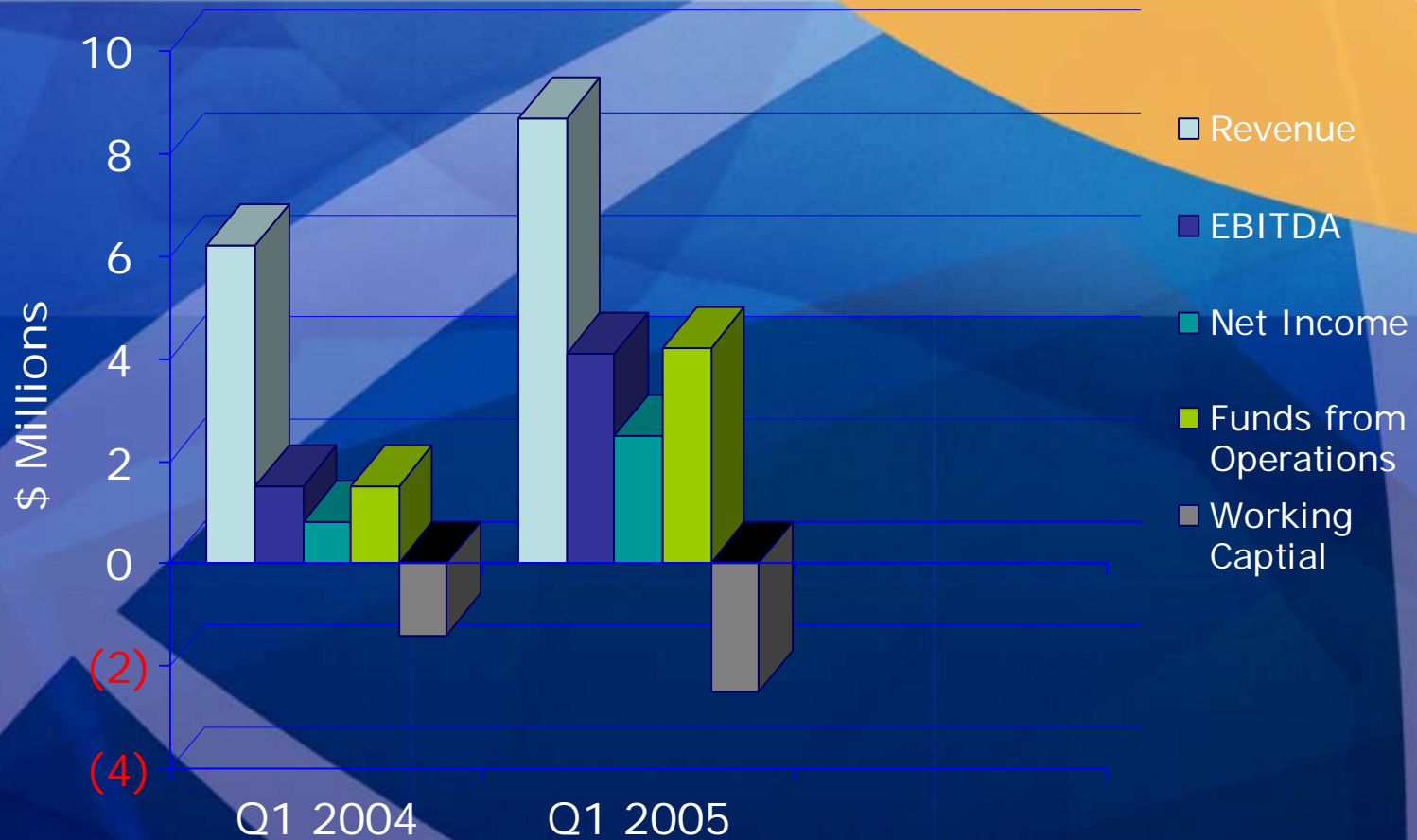
- Completed Vista Bridge

# Which targets did we not fulfill in 2004?

- Move from TSX-V to TSX
  - Currently working towards a Fall/05 timeline however Board has requested detailed review of benefits vs. costs
- Release Freehold Dataset
  - Database complete however New Privacy Rules may prevent Divestco from delivering to customers
- Provide software interface (DataStore) to customers for seamless access to Geophysical Services
  - In development



# FINANCIAL HIGHLIGHTS – Q1 2005



# FINANCIAL HIGHLIGHTS – Q1 2005

- Revenue Increased by 41% however expenses decreased by 3%
- Record Revenue, EBITA, and Funds From Operations
- 6.4 cents per share in earnings (diluted) vs. 3.1 cent per share (diluted) in Q1 2004 - 106% increase
- 6<sup>th</sup> consecutive quarter of positive results

# 2005 Growth Initiatives and Outlook

[www.divestco.com](http://www.divestco.com)

TSX-V:DVT



# Growth Through Acquisition

- Plan is to complete 1-2 share/asset acquisitions during the remainder of 2005 in Canada
- Acquire 1 additional U.S. Company preferably Texas based



# Service Objectives for 2005

- Continue bundling of services with software/data sales
- Potential exists for the creation of a consulting division
- Move low margin/loss leader digitizing services offshore (India)
- Cross train staff in archiving and digitizing departments
- New Archive System Developed for Internal Datasets
- NAD83 Initiative



# Data Objectives for 2005

- Expand on seismic database through acquisition of additional multi-client seismic data
- Acquire one seismic asset in Western Canada of similar size to the Petro Can dataset
- Leverage the Seismic Asset for additional acquisition capital

# Software Objectives for 2005

- Roll out of new and enhanced products for:
  - DataStore V.1.0
  - WinPICS V5.2
  - EnvisionVSX V1.1
  - SeisScapeVSX V1.0
  - GeoVista 4.2.5
  - GeoCarta Tools 1.8
  - Synthetic 1D
- Convert Software to NAD83 Compliance

# Brokerage Objectives for 2005

- **Create Data Management subdivision using Divestco's leading management software**
- **Recruit Additional Brokers**
- **Investigate opportunities to acquire additional brokerage assets/companies for possible expansion of division**

# Share Price

- Continue to produce positive operating results
- Conduct investor relation presentations for potential institutional and retail investors and we are planning a significant road show in late Q2 and late Q3
- Institute another Normal Course Issuer Bid – Divestco repurchased 1.1 MM of its common shares between June 2004 and April 2005
- Look for accretive growth through acquisition

# Guidance for 2005

- Gross revenues of \$30MM
- Earnings of \$0.18/share
- Funds from operations of \$0.28/share

# Share Price Performance (1 year)

1 Year Chart for DVT .

→ Just the Image For Printing

Historic Chart for Cdn:DVT by Stockwatch.com 604.687.1500 - (c) 2005

Tue May 31 2005 Op=1.48 Hi=1.50 Lo=1.45 Cl=1.50 Vol=47,419 Year hi=1.68 lo=0.75



# Questions?

[www.divestco.com](http://www.divestco.com)

TSX-V: DVT



# Thank you for attending our 2005 Annual and Special Meeting

**For further information, please contact:**

Stephen Popadynetz, CEO

(403) 218-6466 or

[stephen@divestco.com](mailto:stephen@divestco.com)

or

Rod Chisholm, CFO

(403) 218-6450 or

[rod.chisholm@divestco.com](mailto:rod.chisholm@divestco.com)

or

[investor.relations@divestco.com](mailto:investor.relations@divestco.com)

[www.divestco.com](http://www.divestco.com)

TSX-V:DVT

