



## **PRESS RELEASE**

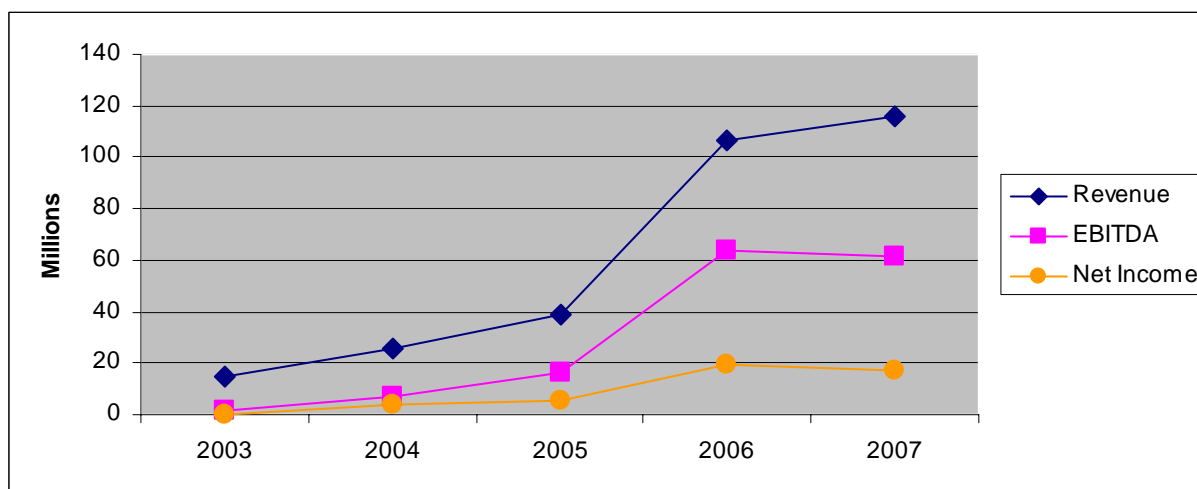
### **DIVESTCO INC. REPORTS RECORD REVENUE FOR FISCAL 2007**

March 19, 2008, Calgary, AB (TSX: DVT) – Divestco Inc. (“Divestco” or the “Company”) is pleased to announce that it has generated record revenue for the year ended December 31, 2007. The Company generated a record \$116.1 million in revenue, an increase of \$9.6 million or 9% over the \$106.5 million generated in 2006. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) were \$61.7 million compared to \$63.7 million in 2006, a 3% decrease year over year. Divestco generated \$35.6 million in funds from operations (\$0.85 per share – diluted), a 44% decrease from \$63.3 million (1.88 cents per share – diluted) generated in 2006.

Net income for 2007 decreased by \$2.1 million (11%) to \$17.5 million from \$19.6 million earned in 2006. The Company earned 45 cents per share – basic (42 cents per share – diluted) for fiscal 2007. This compares to 60 cents per share – basic (58 cents per share – diluted) for fiscal 2006.

Divestco is pleased with its results, considering the impact of low natural gas prices resulting in an overall industry slowdown which was exacerbated by the Alberta Government’s Royalty Review in the fall of 2007. Our Alberta customers’ capital budgets were reduced and, as such, this resulted in a corresponding reduction in demand for some of our services and seismic participation programs in Alberta. Divestco maintains a strong data and service presence in and outside of Alberta, and the Company has witnessed an increase in activity in British Columbia (BC) and Saskatchewan which partially offset the decreases in the Alberta related revenue. We have positioned many of Divestco’s 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 that despite the less than expected participation and service revenue, the Company achieved record aggregate data library (inventory) sales totaling approximately \$47.6 million for 2007. This represents an increase of \$23.6 million (99%) compared to \$23.9 million of aggregate library sales in 2006. The increase in data library sales validate the quality of the library Divestco has been building over the last few years. We expect this trend of increased demand to continue, especially in light of the proposed royalty changes in Alberta.



Excluding deferred revenue of \$4.4 million (December 2006 - \$11.6 million), Divestco exited fiscal 2007 with \$28.1 million working capital deficiency. This compares to \$0.6 million in positive working capital at the end of 2006 fiscal year. The working capital deficiency is mainly attributed to: (1) reclassification of the convertible debentures assumed from BlueGrouse from long-term to current liabilities as they mature in November 2008, (2) four 3D surveys completed in the fourth quarter at a cost of approximately \$20 million and, (3) corporate income taxes of \$7.3 million. This working capital shortfall will be addressed in fiscal 2008.

#### Fourth Quarter 2007 Results

Divestco generated fourth quarter revenue of \$35.5 million, a 16% increase compared to \$30.5 million generated in 2006. Fourth quarter EBITDA was \$21.8 million a \$4.9 million or 29% increase from \$16.9 million recorded for same period in 2006. The Company generated \$15.1 million in funds from operations (34 cents per share – diluted), a 11% decrease from \$16.9 million (47 cents per share – diluted) generated in 2006. Net income for the quarter decreased by 41% to \$5.1 million (12 cents per share – diluted) from \$8.7 million (24 cents per share – diluted) earned in 2006.

Four 3D seismic programs that were delayed due to the unusually heavy snow pack in first quarter and wet weather in the second quarter were delivered in the fourth quarter of 2007. These surveys are located in our core seismic data areas of Debolt (Alberta) and Cutbank Ridge (BC) and augment our existing databases.

#### 2007 Operational Highlights

- 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).
- Completed five corporate acquisitions for total consideration of approximately \$37.2 million including the assumption of debt;
  - BlueGrouse Seismic Solutions Ltd. (\$30.2 million – May 2007)
  - Geomatics Business unit of Veritas Energy Services Partnership (\$3.2 million – May 2007)
  - JMG Seismic Processing Ltd. and KRJ Seismic Processing Ltd., partners of Spectrum Seismic Processing Partnership ( \$1.9 million - June 2007)
  - i Land Data Ltd. ( \$0.8 million - June 2007)

- Canadian Landmasters Resource Services Ltd. and Canadian Landmasters Resource Services (Med. Hat) Ltd. ( \$1.1 million – November 2007)
- In addition to the BlueGrouse transaction which added 32,000 kilometers of 2D and 3,500 square kilometers of 3D seismic data, the Company significantly increased its seismic dataset with the acquisition of an additional 290 net kilometers of 2D and over 3,490 net kilometers of 3D seismic at a cost of approximately \$75.2 million. This data is strategic in nature and compliments our existing seismic datasets in three core areas; Gunnell (BC), Cutbank Ridge (BC) and Debolt (Alberta). With these data acquisitions complete, Divestco continues to control the largest independent 3D seismic library in BC.

Mr. Stephen Popadynetz, CEO of Divestco commented: “Despite the economic uncertainty around us, I am proud of what Divestco achieved in 2007. This is Divestco’s 17<sup>th</sup> consecutive quarter of profitability and verification of the solid foundation that has been built to maintain this positive track record. Notwithstanding the fact that Divestco has continued to deliver substantial positive returns and growth, the stock price has not been immune to the overall downgraded market perception of the oil and gas service industry. To create greater flexibility when favorable market conditions return, Divestco is pursuing a more focused and less expansive strategy. Divestco is forecasting overall growth and continued profitability in 2008, however consistent with our industry peers we are cautiously optimistic. Despite a recent indication of strengthening natural gas prices, we are concentrating on our core business lines and strategic assets. By doing this, Divestco expects to be well positioned for future growth during the next positive market cycle and produce positive returns for our shareholders.”

<b>Financial Results (Thousands, Except Per Share Amounts)</b>						
	<b>Three Months Ended December 31</b>			<b>Twelve Months Ended December 31</b>		
	<b>2007</b>	<b>2006</b>	<b>% Change</b>	<b>2007</b>	<b>2006</b>	<b>% Change</b>
Revenues	\$ 35,528	\$ 30,546	16%	\$ 116,070	\$ 106,463	9%
Operating Expenses	13,773	13,694	1%	54,393	42,800	27%
EBITDA	21,755	16,852	29%	61,677	63,663	-3%
Interest	1,075	399	169%	3,684	1,235	198%
Depreciation and Amortization	15,743	3,706	325%	34,424	36,051	-5%
Operating Income	4,937	12,747	-61%	23,569	26,377	-11%
Other Income (Loss)	(30)	45	N/A	(260)	2,105	N/A
Income Tax Expense	(209)	4,101	-105%	5,768	8,867	-35%
Net Income	\$ 5,116	\$ 8,691	-41%	\$ 17,541	\$ 19,615	-11%
Per Share - Basic	0.12	0.25	-52%	0.45	0.60	-25%
Per Share - Diluted	0.12	0.24	-50%	0.42	0.58	-28%
Funds from Operations	\$ 15,092	\$ 16,864	-11%	\$ 35,611	\$ 63,263	-44%
Per Share - Basic	0.36	0.48	-25%	0.91	1.94	-53%
Per Share - Diluted	0.34	0.47	-28%	0.85	1.88	-55%
Shares Outstanding	41,579	35,399	17%	41,579	35,399	17%
Weighted Average Shares Outstanding						
Basic	41,471	34,912	19%	39,200	32,665	20%
Diluted	43,779	36,003	22%	41,763	33,704	24%

## Segment Summary

For the three months ended December 31, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 2,691	\$ 7,174	\$ 22,364	\$ 3,299	\$ -	\$ 35,528
EBITDA	1,323	2,298	20,476	41	(2,383)	21,755
Interest (Net of Interest Revenue)	-	-	131	(9)	953	1,075
Depreciation and Amortization	403	677	14,215	399	49	15,743
Operating Income (Loss)	920	1,621	6,130	(349)	(3,385)	4,937

For the three months ended December 31, 2006 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 1,873	\$ 5,142	\$ 20,114	\$ 3,417	\$ -	\$ 30,546
EBITDA	832	1,025	17,090	(39)	(2,056)	16,852
Interest (Net of Interest Revenue)	-	-	130	(8)	277	399
Depreciation and Amortization	325	498	2,562	282	39	3,706
Operating Income (Loss)	507	527	14,398	(313)	(2,372)	12,747

For the year ended December 31, 2007 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 8,494	\$ 24,731	\$ 69,690	\$ 13,155	\$ -	\$ 116,070
EBITDA	3,673	4,706	61,508	1,102	(9,312)	61,677
Interest (Net of Interest Revenue)	3	-	605	(47)	3,123	3,684
Depreciation and Amortization	1,467	2,466	28,963	1,350	178	34,424
Operating Income (Loss)	2,203	2,240	31,940	(201)	(12,613)	23,569

For the year ended December 31, 2006 (Thousands)						
	Software	Services	Data	Consulting	Corporate & Other	Total
Revenue	\$ 7,054	\$ 17,083	\$ 73,384	\$ 8,847	\$ 95	\$ 106,463
EBITDA	3,088	3,277	65,033	(576)	(7,159)	63,663
Interest (Net of Interest Revenue)	-	-	317	(22)	940	1,235
Depreciation and Amortization	1,180	1,529	32,610	586	146	36,051
Operating Income (Loss)	1,908	1,748	32,106	(1,140)	(8,245)	26,377

Divestco Inc.  
Consolidated Balance Sheets

<b>As at December 31</b>	<b>2007</b>	<b>2006</b>
<b>(Thousands)</b>		
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,466	\$ 1,437
Funds held in trust	678	-
Short-term investments	-	-
Accounts receivable	27,083	21,875
Prepaid expenses, supplies and deposits	1,794	923
Investment tax credits recoverable	-	651
	<b>32,021</b>	24,886
<b>Long-term accounts receivable</b>	-	560
<b>Investment in affiliated company</b>	72	68
<b>Data libraries</b>	161,354	71,201
<b>Participation surveys in progress</b>	1,047	2,721
<b>Property and equipment</b>	5,981	6,069
<b>Deferred development costs</b>	4,736	2,877
<b>Deferred finance costs</b>	-	323
<b>Intangible assets</b>	20,208	15,719
<b>Goodwill</b>	10,090	8,518
	<b>\$ 235,509</b>	\$ 132,942
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Bank indebtedness	\$ -	\$ 6,451
Accounts payable and accrued liabilities	39,391	14,147
Income taxes payable	7,286	345
Current portion of deferred revenue	4,351	11,603
Current portion of long-term debt obligations	5,889	3,295
Convertible debentures	7,533	-
	<b>64,450</b>	35,841
<b>Deferred revenue</b>	530	260
<b>Long-term debt obligations</b>	38,400	6,636
<b>Future income taxes</b>	13,406	12,968
	<b>116,786</b>	55,705
<b>Shareholders' Equity</b>		
Equity instruments	68,690	46,854
Contributed surplus	3,661	2,008
Equity portion of convertible debentures	609	-
Retained earnings	45,763	28,375
	<b>118,723</b>	77,237
	<b>\$ 235,509</b>	\$ 132,942

Divestco Inc.

Consolidated Statements of Income, Comprehensive Income and Retained Earnings

For the year ended December 31	2007	2006
(Thousands, except per share amounts)		
<b>Revenue</b>	<b>\$ 116,070</b>	\$ 106,463
<b>Operating expenses</b>		
Salaries and benefits	35,008	26,810
General and administrative	17,854	14,914
Stock compensation expense	1,531	1,076
	<b>54,393</b>	42,800
<b>Interest expense</b>	3,684	1,235
<b>Depreciation and amortization</b>	34,424	36,051
<b>Other income (loss)</b>	(260)	2,105
<b>Income before income taxes</b>	<b>23,309</b>	28,482
<b>Income taxes</b>		
Current	8,723	312
Future (reduction)	(2,955)	8,555
	<b>5,768</b>	8,867
<b>Net income and comprehensive income for the year</b>	<b>17,541</b>	19,615
Retained earnings, beginning of year	28,375	8,760
Purchase price of common shares repurchased in excess of book value	(153)	-
<b>Retained earnings, end of year</b>	<b>\$ 45,763</b>	\$ 28,375
<b>Earnings per share</b>		
Basic	<b>\$ 0.45</b>	\$ 0.60
Diluted	<b>\$ 0.42</b>	\$ 0.58
<b>Weighted average number of shares</b>		
Basic	<b>39,200</b>	32,665
Diluted	<b>41,763</b>	33,704

Divestco Inc.  
Consolidated Statements of Cash Flows

For the year ended December 31	2007	2006
(Thousands)		
<b>Cash flows from operating activities</b>		
Net income for the period	\$ 17,541	\$ 19,615
Items not affecting cash:		
Equity investment loss	2	11
Depreciation and amortization of data libraries, property and equipment and intangible assets	33,686	35,448
Amortization of deferred development costs	738	603
Amortization of deferred finance costs	604	86
Future income taxes (reduction)	(2,955)	8,555
Data exchanges	(16,328)	-
Gain on sale of investment securities	-	(2,132)
Loss on sale of property and equipment	172	-
Unrealized foreign exchange loss	-	1
Non-cash retention bonus	620	-
Stock compensation expense	1,531	1,076
	<b>35,611</b>	<b>63,263</b>
Changes in non-cash working capital balances	(13,870)	2,884
Increase (decrease) in non-current deferred revenue	270	(142)
Decrease in long-term accounts receivable	560	400
	<b>22,571</b>	<b>66,405</b>
<b>Cash flows from financing activities</b>		
Bank indebtedness	(6,451)	6,451
Advances to affiliated company	(6)	-
Issue of common shares, net of related expenses	2,606	16,085
Repayment of long-term debt obligations	(15,448)	(2,923)
Deferred financing costs	(1,340)	-
Proceeds received from long-term debt obligations	45,209	-
Repurchase of common shares	(609)	-
	<b>23,961</b>	<b>19,613</b>
<b>Cash flows from investing activities</b>		
Purchase of data libraries	(61,360)	(74,428)
Decrease (increase) in participation surveys in progress	1,722	(2)
Purchase of property and equipment	(1,374)	(1,405)
Purchase of intangibles	-	(176)
Acquisitions	(3,948)	(15,001)
Purchase of investment securities	-	(109)
Proceeds on sale of investment securities	-	7,753
Proceeds on sale of property and equipment	172	-
Deferred development costs	(2,597)	(1,616)
Changes in non-cash working capital balances	21,881	(978)
	<b>(45,504)</b>	<b>(85,962)</b>
<b>Foreign exchange gain (loss) on cash held in a foreign currency</b>	<b>1</b>	<b>(1)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,029</b>	<b>55</b>
Cash and cash equivalents, beginning of year	1,437	1,382
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,466</b>	<b>\$ 1,437</b>

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".

**For more information please contact:**

**Divestco Inc.**

(www.divestco.com)

Mr. Stephen Popadynetz  
Chief Executive Officer  
Tel 403-218-6466

Mr. Roderick Chisholm  
Chief Financial Officer  
Tel 403-218-6450

*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.*