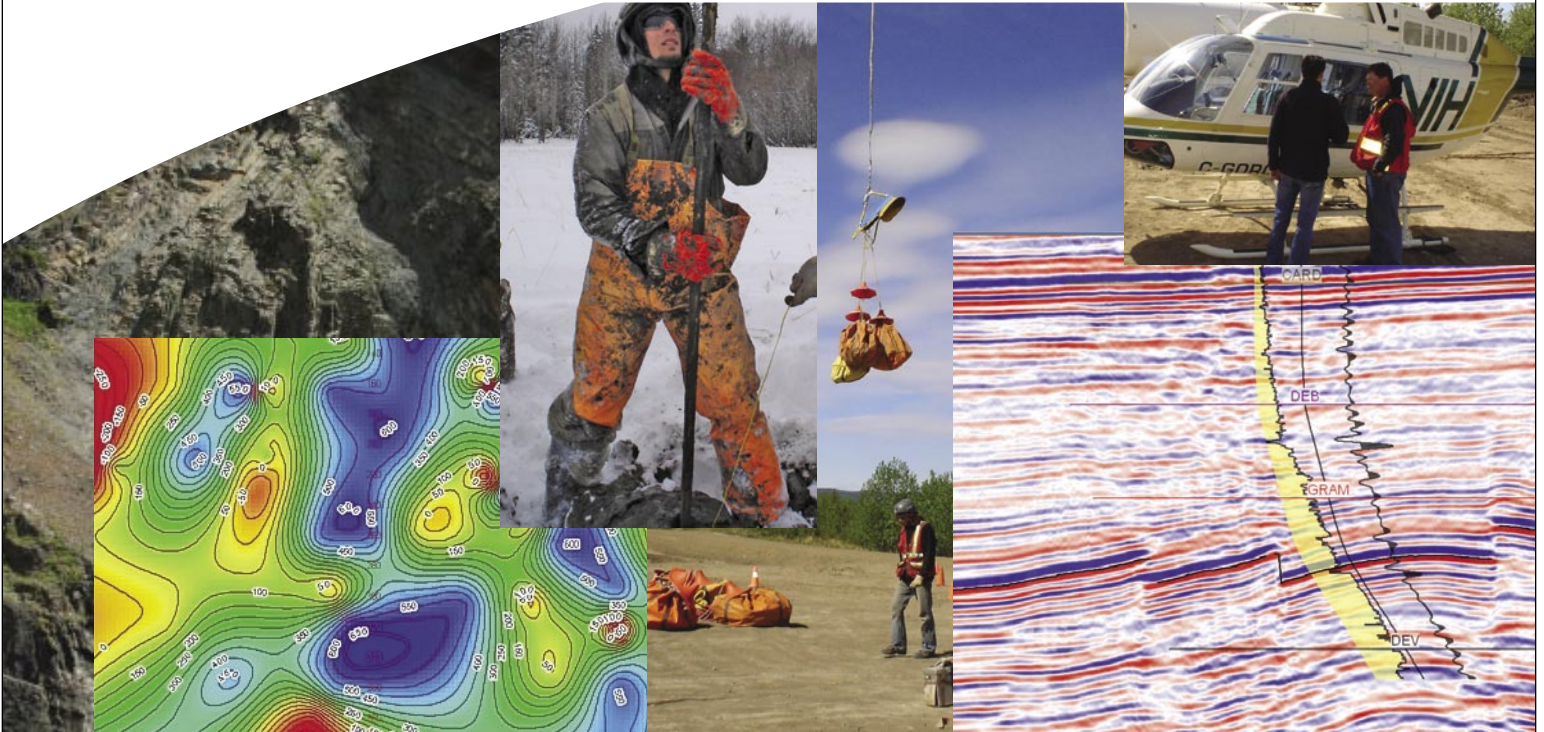


2007 THIRD QUARTER REPORT



The Evolution of Exploration:

AN INTEGRATED SOLUTION



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the evolution of exploration and to deliver shareholder value.

Divestco is a growth-oriented company that provides a comprehensive and integrated portfolio of software, services, data and consulting to the oil and gas industry. Our offerings consist of a diverse range of innovative and complementary products and services, with unique value-added bundling and integration options. Divestco has developed its business model based on a plan of strategic acquisition and organic growth.

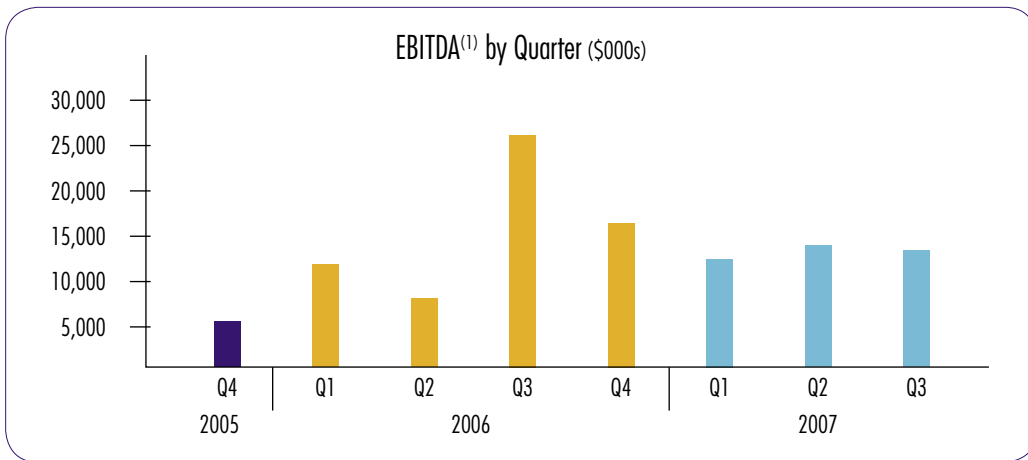
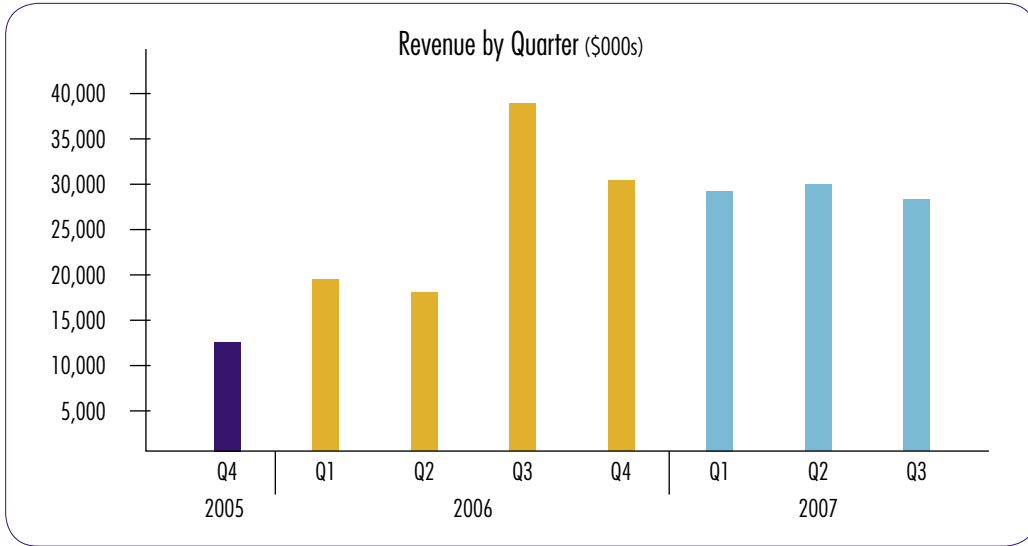
Based in Calgary, Alberta, Divestco has more than 500 employees worldwide, with additional offices in Denver, Colorado and Houston, Texas.

Financial Highlights

Financial Results (Thousands, Except per Share Amounts)	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2007	2006	% Change	2007	2006	% Change
Revenue	\$26,220	\$38,257	-31%	\$80,543	\$75,918	6%
EBITDA ⁽¹⁾	13,120	26,572	-51%	39,923	46,811	-15%
Operating Income ⁽¹⁾	6,206	5,796	7%	18,636	13,630	37%
Net Income	4,188	3,783	11%	12,425	10,924	14%
Per Share - Basic	0.10	0.11	-9%	0.32	0.34	-6%
Per Share - Diluted	0.10	0.11	-9%	0.30	0.33	-9%
Funds From Operations ⁽¹⁾	11,729	26,440	-56%	31,164	46,400	-33%
Per Share - Basic	0.29	0.78	-63%	0.81	1.45	-44%
Per Share - Diluted	0.27	0.74	-64%	0.76	1.39	-45%
Shares Outstanding	41,500	34,221	21%	41,500	34,221	21%
Weighted Average Shares Outstanding						
Basic	41,096	33,972	21%	38,435	31,907	20%
Diluted	43,624	35,778	22%	41,083	33,368	23%

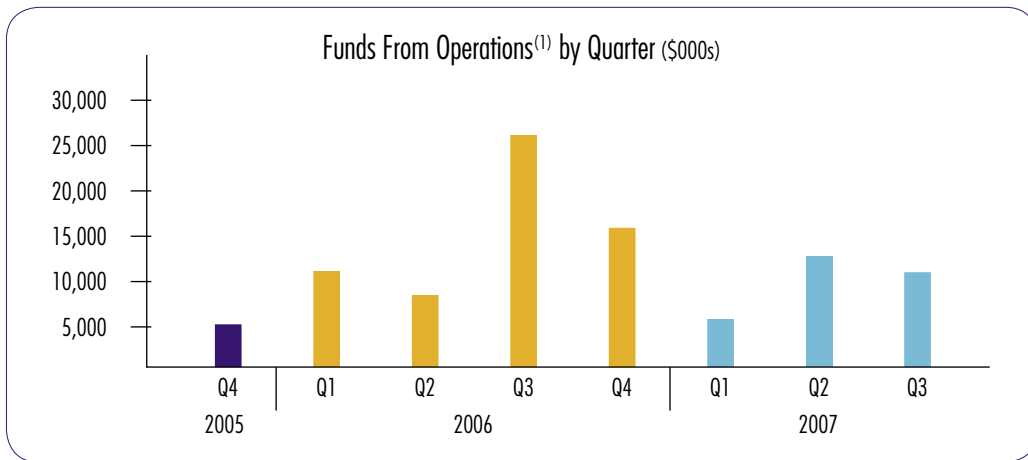
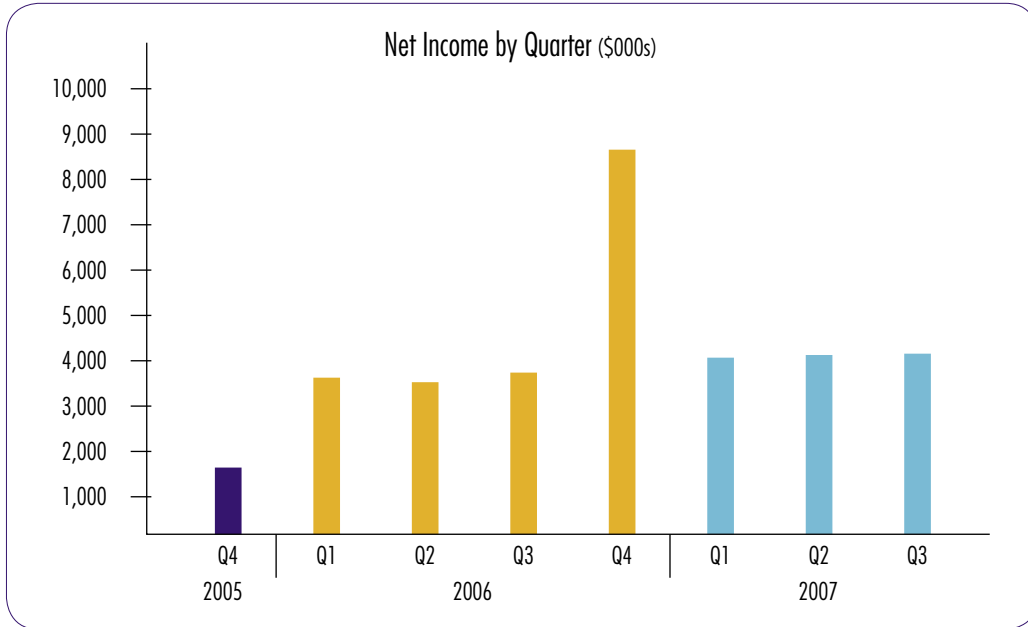
(1) See the Non-GAAP Measures Section

Financial Highlights: Quarter Comparison

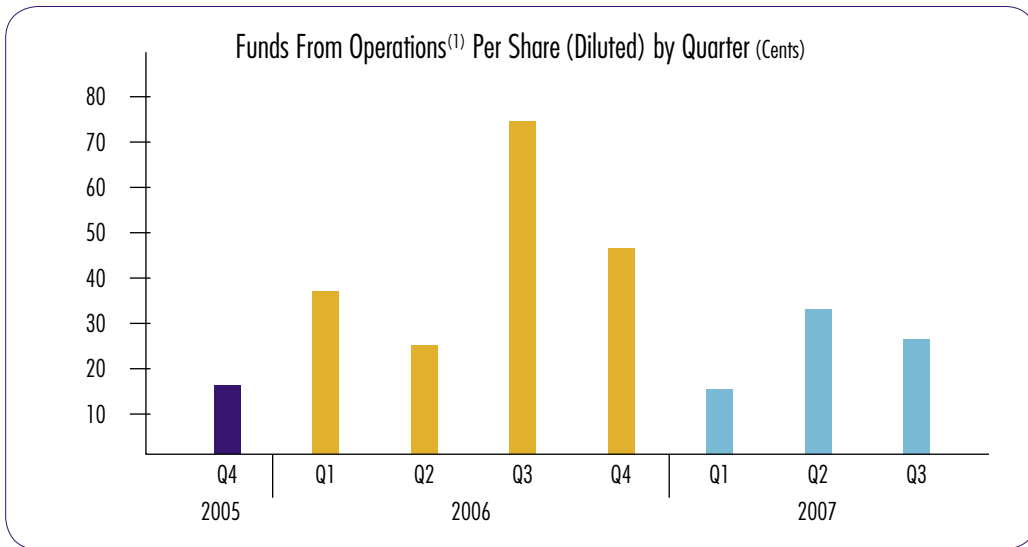
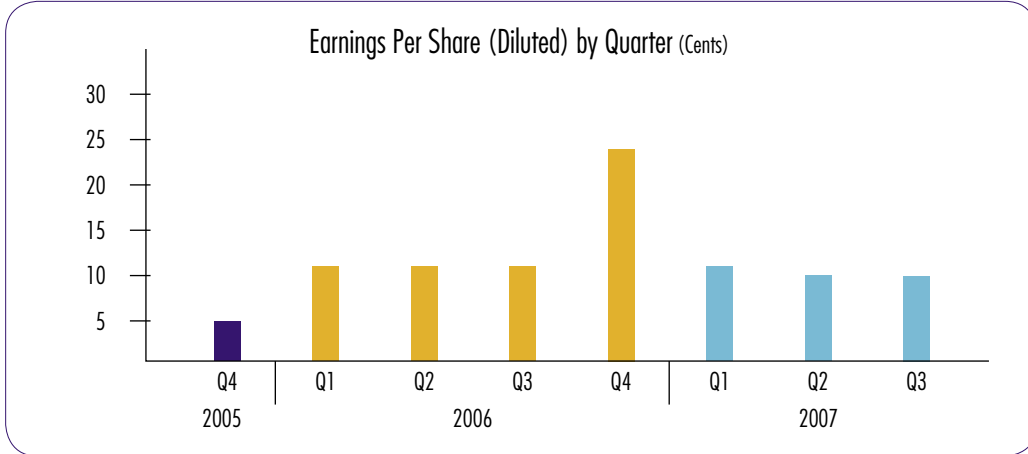


(1) See the Non-GAAP Measures Section

Financial Highlights: Quarter Comparison



(1) See the Non-GAAP Measures Section



(1) See the Non-GAAP Measures Section

Management's Discussion and Analysis

Introduction

This Management Discussion and Analysis (MD&A) for Divestco Inc. (Divestco or the Company) focuses on key statistics from the financial statements and pertains to known risks and uncertainties relating to the oil and gas exploration and production industry. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political, and environmental conditions. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2006 and 2005 and the interim consolidated financial statements for the period ended September 30, 2007. Unless otherwise disclosed, all financial information in this section has been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and is reported in Canadian dollars.

This MD&A is dated November 6, 2007.

Forward-Looking Statements

This MD&A contains forward-looking statements based upon current expectations that involve a number of business risks and uncertainties. The use of forward-looking words such as, "may," "will," "expect," or similar variations generally identify such statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including the factors discussed in the Business Risks and Environment section of this MD&A.

Non-GAAP Measures

Throughout this MD&A the terms working capital, EBITDA, operating income, funds from operations, and funds from operations per share (basic and diluted) are used. These terms are not measures that have any standardized meaning prescribed by Canadian GAAP and are considered non-GAAP measures. While these measures may not be comparable to similar measures presented by other issuers, 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.


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 (see Consolidated Statements of Cash Flows)



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

Business Risks and Environment

Demand for Products and Services

Divestco's business is tied primarily to the oil and gas exploration and production industry. The demand for and price of services and products offered by Divestco depends on the activity levels for oil and gas producers. Commodity prices, supply and demand for oil and natural gas, and to a lesser extent, government regulation (including regulation of environmental matters and material changes in taxation policies), determine these activity levels. In addition, the Company's focus on the oil and gas industry as its primary customer base exposes it to all of the uncertainties associated with the demand for, and price of oil and natural gas.

A significant portion of Divestco's revenue is derived from the licensing of seismic data. To mitigate its demand risk, the Company spends a significant amount of time determining the optimal location to conduct a seismic survey, which includes using its contacts in the oil and gas exploration and production industry, and pre-selling licenses to the data. For larger seismic programs, the Company may rely on third parties to share in the cost. These parties are also susceptible to the risks and uncertainties associated with the oil and gas industry.

Although Divestco does what it considers to be a thorough analysis of factors affecting the probability of future sales of its seismic surveys, and obtains pre-sale commitments for a majority of the estimated costs of its participation seismic surveys, there is no certainty of future demand for these surveys by the oil and gas industry.

Seasonality

Acquisition of seismic data is usually completed in the winter season when the ground is frozen. These conditions are imperative, as seismic acquisition requires the use of heavy equipment, especially in the northern areas of Alberta and British Columbia. The Company depends on qualified contractors to complete the surveys on time and within budget. To help ensure this, Divestco obtains written cost estimates before a survey begins, and then regularly follows up with the contractor on the progress and costs incurred during the survey.

Management's Discussion and Analysis

Business Risks and Environment *Continued...*

Seasonality *Continued...*

The Company's Services segment normally exhibits a noticeable dip in sales from mid-April through to the end of September, and a noticeable increase in sales during the fall and winter months when significant drilling and exploration activities are underway in North America. Divestco tries to minimize these fluctuations by entering into certain long-term archiving contracts with customers, as well as specific types of contract work appropriate for lower-activity months. The Software segment experiences a slow down during July and August, which is generally a low volume period for the oil and gas industry in Western Canada.

Competition

The Company operates in a highly competitive, price-sensitive industry. In addition, Divestco competes with some senior companies that generally have access to a larger pool of capital resources and may have a significant international presence. Divestco attempts to distinguish itself from its competitors by selling a wide range of oil and gas exploration products and services on a stand-alone basis, or as customized and bundled solutions.

Skilled Labour

Divestco's success also depends on attracting and retaining highly skilled management, geophysical, geological, software development, sales, consulting and other staff. The Company achieves this by offering an attractive compensation package and training. To protect its competitive advantage and intellectual property, Divestco obtains confidentiality agreements and, in some cases, non-compete agreements from these individuals.

Government Regulations and Safety

The Company's seismic operations are subject to a variety of Canadian federal and provincial laws and regulations, including laws and regulations relating to safety and the protection of the environment. Divestco and its contractors are required to invest financial and managerial resources to comply with such laws and related permit requirements in their operations. Such laws and regulations are subject to change and, accordingly, it is not feasible for the Company to predict the cost or impact of such laws and regulations on its future operations. The adoption or modification of laws and regulations, which may lead oil and gas companies to curtail exploration and development, could also adversely affect Divestco's seismic operations by reducing the demand for seismic surveys.

You can view copies of the Company's other continuous disclosure documents at www.sedar.com or on the Company's website at www.divestco.com

Overall Performance

Financial Results (Thousands, Except per Share Amounts)	For the Three Months Ended September 30			For the Nine Months Ended September 30		
	2007	2006	% Change	2007	2006	% Change
Revenue	\$26,220	\$38,257	-31%	\$80,543	\$75,918	6%
Operating Expenses	13,100	11,685	12%	40,620	29,107	40%
EBITDA ⁽¹⁾	13,120	26,572	-51%	39,923	46,811	-15%
Interest	1,181	340	247%	2,609	836	212%
Depreciation and Amortization	5,733	20,436	-72%	18,678	32,345	-42%
Operating Income ⁽¹⁾	6,206	5,796	7%	18,636	13,630	37%
Other Income (Loss)	(183)	(48)	N/A	(233)	2,060	N/A
Income Tax Expense	1,835	1,965	-7%	5,978	4,766	25%
Net Income	4,188	3,783	11%	12,425	10,924	14%
Per Share - Basic	0.10	0.11	-9%	0.32	0.34	-6%
Per Share - Diluted	0.10	0.11	-9%	0.30	0.33	-9%
Funds From Operations ⁽¹⁾	11,729	26,440	-56%	31,164	46,400	-33%
Per Share - Basic	0.29	0.78	-63%	0.81	1.45	-44%
Per Share - Diluted	0.27	0.74	-64%	0.76	1.39	-45%
Shares Outstanding	41,500	34,221	21%	41,500	34,221	21%
Weighted Average Shares Outstanding						
Basic	41,096	33,972	21%	38,435	31,907	20%
Diluted	43,624	35,778	22%	41,083	33,368	23%

Financial Position

(Thousands)

Balance as at

	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
Total Assets	\$224,933	\$125,035	\$132,942
Working Capital ⁽¹⁾⁽²⁾	(13,515)	(21,289)	(10,955)
Long-term Debt Obligations (Including Current Portion)	43,743	10,666	9,931

(1) See the Non-GAAP Measures Section

(2) Excluding the current portion of deferred revenue of \$9.6 million, the Company's working capital deficiency was \$4.0 million at September 30, 2007 related in most part to accrued corporate income taxes of \$6.3 million. Aside from the tax accrual, the Company's working capital issues were resolved with the closing of a new \$60 million committed bank facility with Wells Fargo Financial Corporation Canada in April 2007. All previous senior and term debt facilities (excluding nominal credit card and lease facilities) were extinguished. This has given the Company the appropriate structure to match the acquisition of long-term assets with long-term debt.

Management's Discussion and Analysis

Overall Performance *Continued...*

Consolidated Third Quarter Financial Results – 2007

Divestco generated 10 cents per share in earnings (basic and diluted) for the third quarter of 2007 compared to 11 cents (basic and diluted) in 2006. Net income was \$4.2 million compared to \$3.8 million in 2006, an increase of \$0.4 million (11%). Revenues were \$26.2 million, a decrease of \$12.1 million (31%) from \$38.3 million in 2006. Funds from operations decreased by \$14.7 million (56%) from \$26.4 million in 2006 to \$11.7 million (\$0.27 per share – diluted) in 2007.

Highlights for the third quarter of 2007, were as follows:

- Aggregate data library sales increased by approximately \$13.3 million (593%) to \$15.5 million from \$2.2 million for the same quarter in 2006. This helped to offset the decrease in overall revenue for Data as Divestco delivered \$26.7 million in new participation shoots in the third quarter of 2006 versus no participation revenue in the third quarter of 2007. The unusual heavy snow pack and wet weather of last winter and spring resulted in significant delays in the Company's participation programs. Most of the delayed programs have now commenced and are underway in the field with anticipated deliveries in fourth quarter of 2007.
- Acquired approximately 1,140 net square kilometres of 3D seismic and 290 linear kilometres of 2D seismic valued at approximately \$13.1 million. This data is strategic in nature and compliments Divestco's existing seismic datasets.
- Services increased its revenue by \$466,000 (9%) related mainly to the purchase of the Geomatics business unit from Veritas Energy Services Partnership (Veritas) in May 2007 and the Seismic Processing division from Geo-X Systems Ltd. in May 2006.
- Consulting's revenue increased by \$620,000 (24%) primarily due to the Cavalier Land Ltd. (Cavalier Land) acquisition in the third quarter of 2006.
- Software increased its revenue by \$271,000 (15%) related to the growth in existing product lines.

Consolidated Year to Date Financial Results – 2007

Divestco generated 30 cents per share in earnings (diluted) for the nine months ended September 30, 2007 compared to 33 cents (diluted) for the same period in 2006. Net income was \$12.4 million compared to \$10.9 million in 2006, an increase of \$1.5 million (14%). Revenues were \$80.5 million, an increase of \$4.6 million (6%) from \$75.9 million in 2006. Funds from operations decreased by \$15.2 million (33%) from \$46.4 million in 2006 (\$1.39 per share – diluted) to \$31.2 million (\$0.76 per share – diluted) in 2007.



Highlights for the nine months ended September 30, 2007, were as follows:

- Aggregate data library sales increased by \$28.7 million (391%) to \$36 million from \$7.3 million for the same period in 2006. The unusual heavy snow pack and wet weather of last winter and spring resulted in significant delays in the Company's participation programs which led to the decrease in overall revenue for Data. Most of the delayed programs have now commenced and are underway in the field with anticipated deliveries in the fourth quarter of 2007.
- Services increased its revenue by \$5.7 million (47%) related mainly to the purchase of the Geomatics business unit in May 2007 and the Seismic Processing division in May 2006.
- Consulting's revenue increased by \$4.5 million (82%) primarily due to the Cavalier Land acquisition in the third quarter of 2006.
- \$4.5 million (82%) increase in Consulting revenue primarily due to the Cavalier Land acquisition in the third quarter of 2006.
- Software increased its revenue by \$622,000 (12%) related to the growth in existing product lines.

Outlook

Despite the increases in revenue and net income generated in the nine months of 2007, a number of scheduled seismic surveys expected to be completed in the first half of 2007 were rescheduled for completion later in the year due to heavy snow pack and wet spring conditions in certain regions of Alberta and British Columbia. Most of the delayed programs have now commenced and are underway in the field with anticipated deliveries in fourth quarter of 2007. These surveys are located in Divestco's core seismic data areas of Debolt (Alberta) and Cutbank Ridge (British Columbia) and will augment or existing databases. Offsetting the delayed participation revenue, the Company has achieved record year to date aggregate data library sales. The increases in data library sales are a validation to the quality of the library Divestco has been building over the last few years and the focus of the Company's library on a less cyclical area of the Western Canadian basin (British Columbia). Divestco expects this trend of increased demand to continue, especially in light of the new Alberta Royalty plan.

With the recent royalty changes announced by the Alberta government and continued depressed natural gas prices, Divestco has witnessed a moderate slowdown in portions of its service segments consistent with the overall reduction in its client's cash flows. In January of 2009, when the new Alberta royalties are expected to take effect, Divestco is forecasting continued erosion of its Alberta customer's capital budgets, and as such, a corresponding reduction in demand for some of its services in Alberta. As Divestco maintains a strong data and service presence outside of Alberta, the Company has witnessed an increase in activity in British Columbia and Saskatchewan which is expected to partially offset the expected 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 slowing in general oil and gas business levels. In addition, given the appreciation of the Canadian dollar the company has refocused its attention to expanding its strategic assets and business lines in the United States.

Management's Discussion and Analysis

Overall Performance Continued...

Selected Quarterly Information (Thousands, Except per Share Amounts)		2007			2006				2005
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	\$26,220	\$27,529	\$26,793	\$30,546	\$38,257	\$18,056	\$19,605	\$12,874	
EBITDA ⁽¹⁾	13,120	14,053	12,752	16,853	26,572	8,049	12,192	5,334	
Operating Income ⁽¹⁾	6,206	6,283	6,145	12,748	5,796	2,673	5,163	2,826	
Net Income	4,188	4,166	4,071	8,690	3,783	3,550	3,591	1,666	
Per Share - Basic	0.10	0.11	0.11	0.25	0.11	0.11	0.12	0.06	
Per Share - Diluted	0.10	0.10	0.11	0.24	0.11	0.11	0.11	0.05	
Funds from Operations ⁽¹⁾	11,729	13,776	5,662	16,866	26,440	8,215	11,751	5,151	
Per Share - Basic	0.29	0.35	0.16	0.48	0.78	0.26	0.39	0.17	
Per Share - Diluted	0.27	0.33	0.15	0.47	0.74	0.24	0.37	0.17	

(1) See the Non-GAAP Measures Section

The trend illustrated in the table above is due to Divestco's growth over the past two years, through both organic means and acquisitions. Generally, the Company's busiest quarters are the first and fourth, when significant drilling and exploration activities are underway in North America.

Segment Review

Summary

For the Three Months Ended September 30, 2007

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$2,023	\$5,558	\$15,501	\$3,138	\$-	\$26,220
EBITDA ⁽¹⁾	892	760	13,204	305	(2,041)	13,120
Interest	-	-	218	(18)	981	1,181
Depreciation and Amortization	336	654	4,393	311	39	5,733
Operating Income (Loss) ⁽¹⁾	556	106	8,593	12	(3,061)	6,206

For the Three Months Ended September 30, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,752	\$5,092	\$28,895	\$2,518	\$-	\$38,257
EBITDA ⁽¹⁾	649	876	27,163	(217)	(1,899)	26,572
Interest	-	-	79	(14)	275	340
Depreciation and Amortization	300	512	19,306	278	40	20,436
Operating Income (Loss) ⁽¹⁾	349	364	7,778	(481)	(2,214)	5,796

For the Nine Months Ended September 30, 2007

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$5,803	\$17,557	\$47,327	\$9,856	\$-	\$80,543
EBITDA ⁽¹⁾	2,350	2,409	41,032	1,062	(6,930)	39,923
Interest	3	-	474	(39)	2,171	2,609
Depreciation and Amortization	1,064	1,790	14,749	952	123	18,678
Operating Income (Loss) ⁽¹⁾	1,283	619	25,809	149	(9,224)	18,636

For the Nine Months Ended September 30, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$5,181	\$11,942	\$53,273	\$5,429	\$93	\$75,918
EBITDA ⁽¹⁾	2,257	2,252	47,942	(537)	(5,103)	46,811
Interest	-	-	188	(14)	662	836
Depreciation and Amortization	856	1,031	30,047	304	107	32,345
Operating Income (Loss) ⁽¹⁾	1,401	1,221	17,707	(827)	(5,872)	13,630

(1) See the Non-GAAP Measures Section

Management's Discussion and Analysis

Segment Review Continued...

Software

The Software segment sells and licenses software and is responsible for development, maintenance and support of its products.

Third Quarter Financial Results – 2007

In the third quarter of 2007, revenue in Software amounted to \$2 million compared to \$1.8 million for the same quarter in 2006, generating 8% (Q3 2006 - 5%) of the Company's total revenue for the three month period. The increase of \$0.2 million (11%) was due to an increase in sales of GeoCarta Tools, GeoVista and WinPics/SMAC.

EBITDA for the third quarter was \$892,000 compared to \$649,000 in 2006, an increase of \$243,000 (37%). Salaries and benefits increased by 12% due to the acquisition of i Land Data Ltd. (i Land), new hires and annual salary increases. General and administrative expenses (G&A) increased by 50% from 2006 due to a rise in software licenses and contractor costs tied to additional development activities and the purchase of i Land. Deferred development costs increased by 80% as there were a number of large development projects underway during the quarter. Amortization was \$336,000 compared to \$299,000 in 2006, an increase of \$37,000 (12%) related to the acquisition of i Land, additional amortization of deferred development costs and purchase of computer hardware and software. Operating income for Software was \$556,000 compared to operating income of \$349,000 in 2006, an increase of \$207,000 (59%).

Year to Date Financial Results – 2007

During the nine months ended September 30, 2007, revenue in Software amounted to \$5.8 million compared to \$5.2 million for the same period in 2006, generating 7% (2006 - 7%) of the Company's total revenue for the nine month period. The increase of \$0.6 million (11%) was due to an increase in LandRite, GeoVista, WinPICS, SMAC and the acquisition of i Land.

EBITDA for the nine months of 2007 was \$2.4 million compared to \$2.3 million in 2006, an increase of \$0.1 million (4%). Salaries and benefits increased by 26% due to the acquisition of i Land, new hires and annual salary increases. General and administrative expenses (G&A) increased by 18% from 2006 due to a rise in contractor costs and software licenses tied to additional development activities and the purchase of i Land. Deferred development costs increased by 44% as there were a number of large development projects underway during the period. Amortization was \$1,064,000 compared to \$856,000 in 2006, an increase of \$208,000 (24%) related to the acquisition of i Land, additional amortization of deferred development costs and purchase of computer hardware and leasehold improvements. Operating income for Software was \$1.3 million compared to operating income of \$1.4 million in 2006, a decrease of \$0.1 million (7%).



Outlook

The final quarter of 2007 is expected to see significant activity within the Software Development Division. Major releases of WinPICS, Envision and GeoVista are slated for delivery to Divestco's customers, each including significant functional additions and general improvements. As well, development continues towards a spring release of EarthTools Suite of products.

The fourth quarter activity surrounding Divestco's land management system LandRite continues to increase. The Company sees many opportunities to provide development and conversion consulting services along with its on-going core development of the product.

In addition, GeoCarta Tools core and custom development work has increased significantly and Divestco is looking forward to delivering a sophisticated, tailored tool to one of Divestco's biggest customers next year.

The acquisition of i Land in the second quarter and the product lines it has brought to the fold brings a significant level of the fourth quarter activity surrounding strategic analysis and development planning. Divestco looks forward to making the most of its natural synergies in the coming year.

Management's Discussion and Analysis

Segment Review Continued...

Services

The Services segment offers data quality assurance and processing as well as data management services for geophysical and geological related information. More specifically, Services provides geomatics (seismic survey audit, custom mapping and database management services), archive, brokerage and processing services.

Third Quarter Financial Results – 2007

In the third quarter of 2007, revenue in Services amounted to \$5.6 million compared to \$5.1 million for the same quarter in 2006, generating 22% (Q3 2006 – 13%) of the Company's total revenue for the three month period. The increase of \$0.4 million (9%) was primarily due to the purchase of the Geomatics business in May 2007 and a large archive project completed in the quarter, as well as organic growth from existing business lines. This was offset by a decrease in seismic processing and brokerage revenue due to the general slow down in the oil and gas industry experienced this year.

EBITDA for the third quarter was \$760,000 compared to \$876,000 in 2006, a decrease of \$117,000 (13%). Salaries and benefits increased by 7% due to the acquisition of the Geomatics business unit and BlueGrouse (seismic brokerage) in 2007. G&A expenses increased by 11% also due to acquisitions. Amortization was \$654,000, an increase of \$142,000 (27%) from \$512,000 in 2006, related to the purchase the Geomatics division which also required the Company to replace old equipment subsequent to the acquisition. Operating income for Services was a \$106,000 as compared to \$364,000 in 2006, a decrease of \$258,000 (71%).

Year to Date Financial Results – 2007

During the nine months ended September 30, 2007, revenue in Services amounted to \$17.6 million compared to \$11.9 million for the same period in 2006, generating 22% (2006 – 16%) of the Company's total revenue for the nine month period. The increase of \$5.7 million (47%) was primarily due to a rise in seismic processing revenue as a result of the acquisition of the Veritas Geomatics division in May 2007. Revenue related to services provided to Data in both Survey Audit and Archive increased by \$504,000 and \$547,000 respectively. This was offset by a \$450,000 decrease in brokerage revenue related to a general slow down in the industry.

EBITDA for the nine months of 2007 was \$2.4 million compared to \$2.3 million in 2006, an increase of \$0.1 million (4%). Salaries and benefits increased by 62% due to the acquisition of the seismic processing division from Geo-X in 2006 and the acquisition of Geomatics business unit from Veritas May 2007. G&A expenses increased by 37% mainly due to acquisitions. Amortization was \$1.8 million, an increase of \$0.8 million (80%) from \$1.0 million in 2006, mainly related to acquisitions. Operating income for Services was \$0.6 million as compared to \$1.2 million in 2006, a decrease of \$0.6 million (50%).



Outlook

A reprocessing project recently commenced that will add value for customers through improving the integrity of the data via re-audit and re-processing the entire 100% owned 2D seismic lines acquired in the BlueGrouse acquisition.

The creation of the new Geomatics division, which merges Divestco's existing and the recently acquired Veritas Geomatics Survey Audit, GIS Mapping and Database services, is expected to bring best of breed software, products and services to the industry. A new focus on a NAD83 suite of services is also being offered with many customers taking the first step towards compliance this summer through an upgrade of their grid version.

Management's Discussion and Analysis

Segment Review Continued...

Data

The Data segment acquires, licenses, and maintains Divestco's proprietary seismic data and full suite of support data layers (log, well, and drilling data). Data also provides log digitizing, rasterizing services, and document scanning management services.

Seismic Library			
Balance as at	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
2D in Gross Kilometres	99,463	58,273	58,273
2D in Net Kilometres	79,283	46,273	46,273
3D in Gross Square Kilometres	15,087	7,061	7,279
3D in Net Square Kilometres	13,139	5,552	5,770

Third Quarter Financial Results – 2007

In the third quarter of 2007, revenue in Data amounted to \$15.5 million compared to \$28.9 million for the same quarter in 2006, generating 58% (Q3 2006 – 76%) of the Company's total revenue for the three month period. Divestco delivered \$26.7 million in new participation shoots in the third quarter of 2006 versus no participation revenue in the third quarter of 2007. The decrease of \$13.4 million (46%) was due to unusual weather delays last winter and spring. Most of the delayed programs have now commenced and are underway in the field with anticipated deliveries in the fourth quarter of 2007. Offsetting the participation revenue were aggregate data library sales which increased by \$13.3 million (593%) to \$15.5 million from \$2.3 million for the same quarter in 2006.

EBITDA for the third quarter was \$13.2 million compared to \$27.2 million in 2006, a decrease of \$14.0 million (51%). Salaries and benefits increased by 46% from 2006 with a rise due to acquisition of BlueGrouse, offset by increases in the Seismic Data library sales. G&A expenses increased by 16% from the same period in 2006 primarily due to the acquisition of BlueGrouse. Amortization decreased by \$14.9 million (77%) to \$4.4 million in 2007 from \$19.3 million in 2006 as a result of the decline in participation programs. Operating income was \$8.6 million compared to \$7.8 million in 2006.

Divestco acquired approximately 1,140 net square kilometres of 3D seismic and 290 linear kilometres of 2D data valued at approximately \$13.1 million in the third quarter. This data is strategic in nature and compliments Divestco's existing seismic datasets.



Year to Date Financial Results – 2007

During the nine months ended September 30, 2007, revenue in Data amounted to \$47.3 million compared to \$53.3 million for the same period in 2006, generating 59% (2006 – 70%) of the Company's total revenue for the nine month period. The decrease of \$6 million (11%) was due to a drop in seismic participation sales in the third quarter offset by library sales revenue increase and \$0.9 million of revenue related to the acquisition of BlueGrouse and an 11% increase in the U.S. division. Again, aggregate data library sales increased by \$28.7 million (391%) to \$36 million from \$7.3 million for the same period in 2006.

EBITDA for the nine months of 2007 was \$41.0 million compared to \$47.9 million in 2006, a decrease of \$6.9 million (14%). Salaries and benefits increased by 18% from 2006 while G&A expenses increased by 17% primarily due to the acquisition of BlueGrouse. Amortization decreased by \$15.3 million (51%) to \$14.7 million in 2007 from \$30.0 million in 2006 due to a decline in participation programs offset by the BlueGrouse acquisition. Operating income was \$25.8 million compared to \$17.7 million in 2006, an increase of \$8.1 million (45%).

Outlook

Divestco is currently in the field on a number of seismic participation surveys that are expected to be completed and delivered in the fourth quarter.

Log Data division is pleased to report the completion of a comprehensive quality control project of over 550,000 logs. This quality control initiative was designed to further enhance the dataset to ensure the highest level of quality for Divestco's clients. Initiated in January 2007, this nine-month project resulted in an enhanced dataset with the expectation of further revenue.

In addition, Log Data Division is actively seeking the addition of the Directional Survey dataset which should be available in the first quarter of 2008. Again, the dataset is expected to lead to increased sales. Finally, Logs is working on the comprehensive additions of BC LAS (Log ASCII Standard) digital files to Divestco's library. While the Company is already a leader in BC LAS files, this enhanced dataset will further position Divestco as the leader in Log Data in Canada.

Management's Discussion and Analysis

Segment Review Continued...

Consulting

The Consulting segment offers end-to-end solutions including business consulting services, ERP and CRM systems implementations, custom software development, hardware devices, network infrastructure, and land management services.

Third Quarter Financial Results – 2007

In the third quarter of 2007, revenue in Consulting amounted to \$3.1 million compared to \$2.5 million for the same quarter in 2006, generating 12% (Q3 2006 – 7%) of the Company's total revenue for the three month period. Revenue for land management services from the acquisition of Cavalier Land was \$1.3 million.

EBITDA for the third quarter was \$305,000 compared to a negative \$217,000 an increase of \$522,000. Salaries and benefits decreased by 22% as the closure of offices in Vancouver and Edmonton resulted in \$270,000 in payroll savings. G&A expenses were up 38% due to the acquisition of Cavalier Land and \$298,000 increase in consulting fees, offset by reduction in costs due to the closure of the two offices in business consulting. Amortization increased by \$33,000 to \$311,000 for the current quarter from \$278,000 in 2006 mainly due to Cavalier Land acquisition. Operating income was \$12,000 compared to a loss of \$481,000 in the same quarter of 2006.

Year to Date Financial Results – 2007

During the nine months ended September 30, 2007, revenue in Consulting amounted to \$9.9 million compared to \$5.4 million for the same period in 2006, generating 12% (2006 – 7%) of the Company's total revenue for the nine month period. Revenue for land management services from the acquisition of Cavalier Land increased total revenue by \$4.9 million, offset by a decrease of \$0.5 million in business consulting services mainly due to the closure of the Vancouver and Edmonton offices.

EBITDA for the nine months of 2007 was \$1.1 million compared to a negative \$0.5 million an increase of \$1.6 million. Salaries and benefits increased by 31% due to the addition of Cavalier Land in July 2006 which was offset by a decrease in business consulting with the closure of the two offices. G&A expenses were up 69% due to the acquisition of Cavalier Land, offset by a reduction in costs due to the closure of the two offices in business consulting and the reduction in software sales. Amortization was \$952,000 for the nine month period up \$648,000 from \$304,000 for the same period in 2006 mainly to due to the Cavalier Land acquisition. Operating income was \$149,000 compared to a loss of \$827,000 in the same period of 2006.



Outlook

The Company is very pleased with the acquisition of Cavalier Land in July 2006 and is expecting solid results for the remainder of 2007, notwithstanding the fact that Cavalier Land is experiencing slower than anticipated growth due to the decreased drilling activity in Western Canada. The company is well situated to respond to market conditions and continues to work towards improving efficiency in order to capitalize on future growth opportunities.

In the third quarter, a new compensation and bonus program was released for Business Consulting, Records Information Management, Laser Accounting and Professional Services which now aligns individual initiatives with corporate objectives. The Plan was well-received and is expected to assist the areas toward the greater revenue and profitability. In addition, Business Consulting secured its largest contract in its ten year history in the third quarter, with revenues to be recognized over the upcoming quarters.

Management's Discussion and Analysis

Segment Review *Continued...*

Corporate and Other

The Corporate segment contains costs associated with corporate general and administrative functions associated primarily with setting the overall strategic plan of the Company including: operations, finance, accounting, human resources (HR), and information technology (IT) functions. Salaries, legal, travel, investor relations, stock compensation and interest expenses are also included as part of the Corporate segment.

Third Quarter Financial Results – 2007

In the third quarter of 2007, salaries and benefits decreased by 20% primarily due to discretionary management bonuses being accrued in the first quarter in 2007 versus the third quarter in 2006. G&A expenses increased by 34% to \$1.3 million in 2007 from \$0.9 million in 2006 due in most part to an increase in occupancy costs. Interest costs were \$931,000 in 2007 compared to \$279,000 in 2006. The increase of \$652,000 (133%) was primarily due to the new debt facility secured from Wells Fargo of which \$41.1 million was outstanding as at September 30, 2007. Amortization was \$38,000 in 2007 compared to \$39,000 in 2006, a slight decrease of \$1,000 (2%). Total expenditures on property and equipment amounted to \$39,000 in 2007 compared to \$162,000 in 2006, a decrease of \$123,000 (75%).

Year to Date Financial Results – 2007

Revenue in 2006 related to investments which were sold during the year. Salaries and benefits increased by 26% from the prior year due to increase in total compensation due to increased staffing levels through acquisition, new hires and salary revisions. G&A expenses increased by 40% to \$4.2 million in 2007 from \$3.0 million in 2006 due to the increases in bad debts, stock compensation expense, professional fees related to internal control documentation, ERP system implementation, insurance and occupancy costs. Interest costs were \$2.2 million in 2007 compared to \$0.7 million in 2006. The increase of \$1.5 million (214%) was primarily due to the new debt facility secured from Wells Fargo of which \$41.1 million was outstanding as at September 30, 2007. Amortization was \$123,000 in 2007 compared to \$107,000 in 2006, an increase of \$16,000 (14%). The increase is primarily attributed to the amortization of financing costs. Total expenditures on property and equipment amounted to \$261,000 in 2007 compared to \$277,000 in 2006, a decrease of \$16,000 (6%).

Outlook

Divestco will move into the next phase of its ERP implementation project which is expected to last until the end of 2008. Aside from growth related to acquisitions, the Corporate segment does not expect a material increase in expenses in 2008.



Depreciation and Amortization

Depreciation and amortization for the third quarter of 2007 was \$5.7 million compared to \$20.4 million in the same period in 2006, a decrease of \$14.7 million (72%). While there were no seismic surveys completed in the quarter due to poor weather conditions which postponed some planned surveys to the fourth quarter, the Company purchased an existing seismic data libraries, acquired the remaining interest in a large 3D seismic survey and spent \$180,000 on property and equipment.

Depreciation and amortization for the nine months ended September 30, 2007 was \$18.7 million compared to \$32.3 million in the same period in 2006, a decrease of \$13.6 million (42%). While there were less participation seismic surveys completed in 2007 compared to 2006, due to poor weather conditions which postponed some planned surveys to the fourth quarter, the Company completed three seismic surveys during the nine-month period. In addition, Divestco purchased six existing seismic data libraries, acquired the BlueGrouse data library, and spent \$1.2 million on property and equipment.

Income Taxes

In the third quarter of 2007, Divestco recorded a current tax expense of \$0.9 million and a future tax expense of \$1.0 million for a net expense of \$1.8 million (30.5% of net income before taxes). This mainly relates to income being distributed from a partnership acquired in the BlueGrouse acquisition during the period.

For the nine months ended September 30, 2007, Divestco recorded a current tax expense of \$8.4 million and a future tax recovery of \$2.4 million for a net expense of \$6.0 million (32.5% of net income before taxes). This mainly relates to income being distributed from Divestco's limited partnership and from a partnership acquired in the BlueGrouse acquisition during the period.

As at September 30, 2007, the Company had \$2.9 million in non-capital losses relating to BlueGrouse which begin to expire in 2027 and \$6.9 million in undepreciated capital cost pools in Canada.

Management's Discussion and Analysis

Major Transactions

Seismic Related

During the third quarter of 2007, Divestco acquired two datasets totalling approximately 1,140 net square kilometres of 3D seismic and 290 linear kilometres of 2D data valued at approximately \$13.1 million.


During the nine months ended September 30, 2007, Divestco completed three 3D seismic surveys covering an approximate area of 497 square kilometres at a cost of \$17.8 million (excluding costs related to services provided by Divestco's survey audit, seismic processing and archive departments which are eliminated on consolidation). Divestco acquired four datasets totalling approximately 1,500 net square kilometres of 3D seismic and 290 linear kilometres of 2D data valued at approximately \$19.3 million. The Company acquired the remaining ownership interest in a 3D data library for \$9.6 million, covering approximately 1060 square kilometres and assumed approximately 32,000 kilometres of 2D and 5,600 square kilometres of 3D seismic data through the acquisition of BlueGrouse.

Corporate

On April 20, 2007 the Company entered into a new \$60 million financing arrangement with Wells Fargo Financial Corporation Canada. The Company replaced its previous operating and term credit facilities with five-year committed revolving and term facilities.

On May 3, 2007, the Company closed its Plan of Arrangement (the Arrangement) with BlueGrouse Seismic Solutions Ltd. (BlueGrouse) which was approved by BlueGrouse's shareholders on May 1, 2007. Pursuant to the Arrangement, BlueGrouse shareholders received 0.3125 Divestco shares for each BlueGrouse share held. BlueGrouse has four main components to its business model: Data Library, Multi-Client Services, Data Brokerage and Data Management.

On May 24, 2007, the Company acquired the Geomatics business unit of Veritas Energy Services Partnership. Total consideration was \$3.2 million with \$2.6 million paid in cash on closing (including acquisition costs) and the remaining \$0.6 million to be paid by December 31, 2007. The business delivers survey audit and geospatial data management services to the seismic industry.



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 Partnership (Spectrum). Total consideration was \$1.9 million with \$0.4 million paid in cash on closing (including acquisition costs), \$0.6 million in Divestco common shares and the remaining \$0.9 million to be paid over a two-year period commencing on June 19, 2008. 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). Total consideration was \$816,000 with \$380,000 paid in cash on closing (including acquisition costs), \$361,000 in Divestco common shares and the remaining \$75,000 to be paid on June 19, 2008. i Land provides data management related software to the oil and gas industry.

Liquidity and Capital Resources

Working Capital

Excluding the current portion of deferred revenue of \$9.6 million (December 31, 2006 – \$11.6 million), Divestco exited the third quarter of 2007 with a \$4.0 million working capital deficiency compared to positive a \$0.6 million at the end of 2006. The working capital deficiency is mainly attributed to \$6.3 million in current taxes payable associated with the Company's limited partnership and a significant working capital deficiency assumed from BlueGrouse. As announced on April 20, 2007, Divestco entered into a new \$60 million financing arrangement with a new lender. The Company replaced its previous operating and term credit facilities with five-year committed revolving and term facilities which are classified as long-term liabilities on the Company's balance sheet (excluding the current portion of the term debt facilities). Divestco now has the appropriate structure in place to match the acquisition of long-term assets with long-term debt and expects the working capital deficiency to be rectified on a go-forward basis.

Operating Activities

Funds from operations for the third quarter of 2007 were \$11.7 million (27 cents per share – diluted) compared to \$26.4 million (74 cents per share – diluted) in 2006, a decrease of \$14.7 million (56%). The decrease was due to a decrease in revenue of \$12.1 million (31%), coupled with an increase in operating expense of \$1.4 million (12%).

Funds from operations for the nine months ended September 30, 2007, were \$31.2 million (76 cents per share – diluted) compared to \$46.4 million (138 cents per share – diluted) in 2006, a decrease of \$15.2 million (33%). The decrease was due to current tax expense for the period related to the allocation of income from Divestco's limited partnership, an increase in operating expenses of \$11.5 million (40%), offset by an increase in revenue of \$4.6 million (6%) related to acquisitions and organic growth.

Management's Discussion and Analysis

Liquidity and Capital Resources *Continued...*

Financing Activities

The Company's financing activities for the three and nine months ended September 30, 2007 are highlighted as follows:

- \$43.6 million in new bank financing from Wells Fargo used to extinguish approximately \$16 million in prior revolving and term debt facilities, with the remainder used to fund corporate acquisitions and current working capital shortfalls.
- \$3.3 million in retired BlueGrouse term debt.
- \$2.5 million in proceeds received from the exercise of stock options, broker compensation options and share purchase warrants (Q3 2007 – \$1.3 million).
- \$1.2 million repayment of capital lease obligations and promissory notes (Q3 2007 – \$0.9 million).

Investing Activities

The Company's investing activities for the three and nine months ended September 30, 2007 are highlighted as follows:

- \$46.5 million to purchase existing seismic data and acquire new data libraries through multi-client surveys (Q3 2007 – \$13.1 million).
- \$1.2 million in purchases of computer hardware and leasehold improvements (Q3 2007 – \$0.2 million).

Debt Instruments

Divestco has a \$60 million credit facility in place with Wells Fargo Financial Corporation Canada (WFFCC), an affiliate of U.S. based Wells Fargo & Company (Wells Fargo). The WFFCC bank facilities are committed with a 5 year maturity. The facility is available in three tranches: a \$20 million committed revolver and two \$20 million term loan facilities. The revolver draws are not required to be repaid until maturity, however if advances are paid down in advance they can be redrawn at a later date. Each draw on the term loan facilities is amortized over six years from date of draw down and repaid on a monthly basis. The Company has two pricing options on all the credit facilities: floating Canadian Base Rate plus 2.00%, or Canadian LIBOR (London InterBank Offer Rate) plus 3.25%. The Canadian LIBOR options are available with locked in interest rate periods of 1, 2, or 3 months. As at September 30, 2007, \$42.3 million was drawn on this facility including \$18.6 million on the revolver, \$18.9 million on the first term loan and \$4.8 million on the second term loan. The facilities are subject to the Company meeting certain debt covenants. As at September 30, 2007, the Company was not in violation of any of its covenants.

The WFFCC bank facilities are secured by a first floating charge on all the Company's assets. Expectations are that the recently acquired WFFCC credit facilities and funds from operations will be sufficient in the short and long-term to meet planned growth and to fund future capital expenditures.

Outstanding Share Data

Divestco's common shares trade on the TSX under the symbol "DVT". The Company is authorized to issue an unlimited number of voting common shares.

The following table provides details of the Company's equity instruments:

Balance as at	Nov 6, 2007	Sept 30, 2007	Dec 31, 2006
Common Shares			
Outstanding	41,498,275	41,500,141	35,399,114
Weighted Average Outstanding			
Basic		38,434,938	32,664,507
Diluted		41,083,091	33,704,401
Stock Options			
Outstanding	2,804,105	2,892,560	2,765,706
Exercise Price	\$1.00 to \$7.52	\$1.00 to \$7.52	\$0.83 to \$6.10
Warrants			
Outstanding	-	-	538,500
Exercise Price	-	-	\$2.50
Broker Compensation Options			
Outstanding	-	-	220,553
Exercise Price	-	-	\$2.00

Common Shares

During the nine months ended September 30, 2007, 538,500 warrants were exercised for total proceeds of \$1,346,250 and 220,553 broker compensation options were exercised for total proceeds of \$441,106.

On January 9, 2007 the Company received approval from the TSX to repurchase up to 1,770,000 of its common shares at prevailing market prices commencing on January 15, 2007 and terminating on the earlier of the January 14, 2008 and the date on which the maximum number of common shares are purchased pursuant to this normal course issuer bid. No repurchases have been made under this bid to date.

Management's Discussion and Analysis

Outstanding Share Data *Continued...*

Stock Options

As at September 30, 2007 there were 4,041,369 common shares reserved for grants of stock options.

During the nine months ended September 30, 2007:

- 916,571 stock options were granted with exercise prices ranging from \$2.40 to \$8.58 including 336,986 BlueGrouse options that were exchanged for Divestco options and 385,000 options granted to officers and a director.
- 523,310 stock options were exercised at exercise prices ranging from \$1.00 to \$3.00 including 168,657 exercised by officers and a director.
- 266,407 stock options were forfeited with exercise prices ranging from \$1.00 to \$8.58 including 50,105 options held by officers and a director.

Subsequent to September 30, 2007:

- 88,459 options were forfeited with exercise prices ranging from \$1.20 to \$7.52.

Related Party Transactions

Divestco had the following related party transactions:

- During the nine months ended September 30, 2007, the Company paid \$167,000 (2006 - \$235,000) in brokerage commissions to a company controlled by a director. Included in accounts payable as at September 30, 2007 was \$16,000 (September 30, 2006 - \$7,000) related to these commissions.
- During the nine months ended September 30, 2007, the Company paid \$395,000 (2006 - \$457,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at September 30, 2007 was \$77,000 (September 30, 2006 - \$131,000) related to these legal fees.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.



Critical Accounting Estimates

The costs associated with purchasing or creating the seismic data library are capitalized. Purchases of existing seismic data are capitalized and amortized on a straight-line basis over 10 years. The Company also creates seismic data and capitalizes the costs paid to third-parties for the acquisition of data, permitting, surveying, and other related costs. Created seismic may be acquired without pre-sale commitments or with pre-sale commitments that include an exclusive data use period. Created seismic, without pre-sale commitments, is amortized on a straight-line basis over a seven-year period. Created seismic with pre-sale commitments is initially amortized at 40% on delivery of the data to the customer with the remaining balance on a straight-line basis over the next six-year period. Some of the created seismic is acquired jointly with others. The Company's financial statements reflect only its proportionate share of the costs of the jointly created seismic data library.

The fair value of share options, broker compensation options, and warrants were estimated using the Black-Scholes option pricing model with the following assumptions: an average expected volatility of 70% (2006 — 60%), an average risk free interest rate of 4.2% (2006 — 5.0%), and an expected life of five years for the stock options and two years for the broker compensation options and warrants. The value of the stock options is recognized as a compensation expense over the three-year vesting period. In October 2005, the Company changed the vesting period of stock options granted going forward to three years from two years. The value for the broker compensation options is recorded in contributed surplus and is reduced as the broker options are exercised. The value of the warrants has been recorded as a separate line item under equity instruments and is reduced as the warrants are exercised.

Management's Discussion and Analysis

New Accounting Pronouncements

Financial Instruments


Effective January 1, 2007, the Company adopted the new Canadian accounting standards for Financial Instruments — Recognition and Measurement, Financial Instruments — Presentation and Disclosure, Hedging and Comprehensive Income. Prior periods have not been restated. The new standards establish guidelines for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. The Company has combined this new statement with its Statement of Income.

The new standards require all financial instruments to be classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost determined using the effective interest rate method. Transaction costs attributable to financial instruments classified as other than held-for-trading are included in the recognized amount of the related financial instrument and recognized over the life of the resulting financial instrument. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized as if the effective interest rate method had always been applied whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Amortization of premiums or discounts and losses due to impairment are included in current period net income.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income and reclassified to net income when derecognized or impaired.
- Held for trading financial instruments are measured at fair value. All gains and losses on derivatives that are not designated or do not qualify for hedge accounting are included in net income in the period in which they arise.
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value. All gains and losses are included in net income in the period in which they arise.

Under adoption of these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Bank indebtedness, accounts payable and accrued liabilities, and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

On adoption, the Company has elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantially modified on or after January 1, 2003. The impact of the change in accounting policy related to embedded derivatives was not material.



The Company had no “other comprehensive income or loss” transactions during the three and nine months ended September 30, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

New Canadian accounting standards have been issued which will require additional disclosure in the Company’s financial statements commencing January 1, 2008, regarding the Company’s financial instruments as well as its capital and how it is managed.

Securities Regulations Update

Disclosure Controls and Procedures

Disclosure Controls and Procedures are controls and procedures designed and implemented by, or under the supervision of Divestco’s Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to ensure that material information relating to the Company is communicated to them by others in the organization as it becomes known and is appropriately disclosed as required under the continuous disclosure requirements of securities legislation. In essence, these types of controls are related to the quality and timeliness of financial and non-financial information in securities filings.

An evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures was conducted as at December 31, 2006, by and under the supervision of Divestco’s management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the Company’s disclosure controls and procedures, as defined in the Canadian Securities Administrators’ Multilateral Instrument 52-109, “Certification of Disclosure in Issuers’ Annual and Interim Filings”, are effective to ensure that information required to be disclosed in reports that the Company files or submits under Canadian securities legislation is recorded, processed, summarized, and reported within the time periods specified in those rules and forms.

There were no changes in Divestco’s disclosure controls and procedures that occurred during the period ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, Divestco’s internal control over financial reporting.

Internal Control Over Financial Reporting

Divestco maintains a set of internal controls and procedures over financial reporting which have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Divestco evaluated the design of its controls and procedures over financial reporting as defined under Multilateral Instrument 52-109 for the year ended December 31, 2006. This evaluation was performed under the supervision of the CEO and the CFO with the assistance of other Divestco employees and independent consultants to the extent necessary and appropriate. Based on this evaluation, the CEO and the CFO concluded that the design of these internal controls and procedures provided reasonable assurance regarding the reliability of financial reporting for the year ended December 31, 2006.

There were no changes in Divestco’s internal control over financial reporting that occurred during the period ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, Divestco’s internal control over financial reporting.

Consolidated Balance Sheets

As at (Thousands - Unaudited)	Sept 30, 2007	Dec 31, 2006
Assets		
Current Assets		
Cash and Cash Equivalents	\$4,257	\$1,437
Accounts Receivable	33,128	21,875
Prepaid Expenses, Supplies and Deposits	906	923
Investment Tax Credits Recoverable	-	651
	\$38,291	\$24,886
Long-term Accounts Receivable	\$140	\$560
Investment in Affiliated Company	80	68
Data Libraries (Note 4)	144,145	71,201
Participation Surveys in Progress	1,363	2,721
Property and Equipment (Note 5)	6,009	6,069
Deferred Development Costs (Note 6)	4,267	2,877
Deferred Finance Costs	-	323
Intangible Assets (Note 7)	20,548	15,719
Goodwill (Note 3)	10,090	8,518
	\$224,933	\$132,942
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank Indebtedness (Note 8)	\$-	\$ 6,451
Accounts Payable and Accrued Liabilities	29,553	14,147
Income Taxes Payable	6,330	345
Current Portion of Deferred Revenue	9,559	11,603
Current Portion of Long-term Debt Obligations (Note 9)	6,364	3,295
	\$51,806	\$35,841
Deferred Revenue	\$1,221	\$260
Long-term Debt Obligations (Note 9)	37,379	6,636
Convertible Debentures (Note 10)	7,533	-
Future Income Taxes	13,780	12,968
	\$111,719	\$55,705
Shareholders' Equity		
Equity Instruments (Note 11 (b))	\$68,486	\$46,854
Contributed Surplus (Note 11 (e))	3,319	2,008
Equity Portion of Convertible Debentures (Note 10)	609	-
Retained Earnings	40,800	28,375
	113,214	77,237
	\$224,933	\$132,942

See Notes to Consolidated Financial Statements

Consolidated Statements of Income, Comprehensive Income and Retained Earnings

(Thousands, Except per Share Amounts - Unaudited)	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2007	2006	2007	2006
Revenue	\$26,220	\$38,257	\$80,543	\$75,918
Operating Expenses				
Salaries and Benefits	8,113	7,831	26,417	18,594
General and Administrative	4,582	3,519	13,039	9,827
Stock Compensation Expense (Note 11 (f))	405	335	1,164	686
	\$13,100	\$11,685	\$40,620	\$29,107
Interest Expense	1,181	340	2,609	836
Depreciation and Amortization	5,733	20,436	18,678	32,345
Other Income (Loss)	(183)	(48)	(233)	2,060
Income Before Income Taxes	\$6,023	\$5,748	\$18,403	\$15,690
Income Taxes				
Current	878	99	8,358	277
Future (Reduction)	957	1,866	(2,380)	4,489
	\$1,835	\$1,965	\$5,978	\$4,766
Net Income and Comprehensive Income for Period	\$4,188	\$3,783	\$12,425	\$10,924
Retained Earnings, Beginning of Period	36,612	15,901	28,375	8,760
Retained Earnings, End of Period	\$40,800	\$19,684	\$40,800	\$19,684
Earnings per Share				
Basic	\$0.10	\$0.11	\$0.32	\$0.34
Diluted	\$0.10	\$0.11	\$0.30	\$0.33
Weighted Average Number of Shares				
Basic	41,096	33,972	38,435	31,907
Dilute	43,624	35,778	41,083	33,368

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Thousands - Unaudited)	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2007	2006	2007	2006
Cash Flows from Operating Activities				
Net Income for the Period	\$4,188	\$3,783	\$12,425	\$10,924
Items Not Affecting Cash:				
Equity Investment Loss (Gain)	(12)	(7)	(4)	3
Depreciation and Amortization of Data Libraries, Property and Equipment and Intangible Assets	5,569	20,270	18,139	31,911
Amortization of Deferred Development Costs	164	166	539	434
Accretion of Deferred Finance Costs	106	22	503	65
Future Income Taxes (Reduction)	957	1,866	(2,380)	4,489
Gain on Sale of Investment Securities	-	-	-	(2,132)
Loss on Sale of Property and Equipment	167	-	167	-
Unrealized Foreign Exchange Loss	(90)	5	-	20
Non-cash Retention Bonus	275	-	611	-
Stock Compensation Expense	405	335	1,164	686
	\$11,729	\$26,440	\$31,164	\$46,400
Changes in Non-cash Working Capital Balances (Note 12)	\$(8,573)	\$(23,833)	\$(13,198)	\$372
Increase (Decrease) in Non-current Deferred Revenue	1,055	(725)	961	641
Decrease in Long-term Accounts Receivable	140	300	420	300
	\$4,351	\$2,182	\$19,347	\$47,713
Cash Flows from Financing Activities				
Bank Indebtedness	\$-	\$3,721	\$(6,451)	\$12,591
Advances to Affiliated Company	-	-	(8)	-
Issue of Common Shares, Net of Related Expenses (Note 11 (b))	1,335	(461)	2,548	13,404
Repayment of Long-term Debt Obligations	(2,258)	(818)	(13,753)	(2,188)
Deferred Financing Costs	-	-	(1,340)	-
Proceeds Received from Long-term Debt Obligations	1,362	-	43,597	-
	\$439	\$2,442	\$24,593	\$23,807
Cash Flows from Investing Activities				
Purchase of Data Libraries	\$(13,121)	\$(46,463)	\$(46,456)	\$(69,332)
Decrease (Increase) in Participation Surveys in Progress	(889)	44,604	1,358	2,331
Purchase of Property and Equipment	(180)	(737)	(1,182)	(1,264)
Purchase of Intangibles	-	-	-	(176)
Acquisitions (Note 3)	(16)	(3,514)	(3,869)	(15,001)
Purchase of Investment Securities	-	-	-	(109)
Proceeds on Sale of Investment Securities	-	-	-	7,753
Proceeds on Sale of Property and Equipment	177	-	177	-
Deferred Development Costs	(651)	(409)	(1,929)	(1,209)
Changes in Non-cash Working Capital Balances (Note 12)	12,455	(6,221)	10,777	5,033
	\$(2,225)	\$(12,740)	\$(41,124)	\$(71,974)
Foreign Exchange Loss on Cash Held in a Foreign Currency	90	(5)	4	(26)
Increase in Cash and Cash Equivalents	\$2,655	\$(8,121)	\$2,820	\$(480)
Cash and Cash Equivalents, Beginning of Period	1,602	9,023	1,437	1,382
Cash and Cash Equivalents, End of Period	\$4,257	\$902	\$4,257	\$902

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

Divestco Inc. (the Company) is incorporated under the Business Corporations Act of Alberta and is a publicly traded company on the Toronto Stock Exchange (TSX) under the symbol DVT.

1. Basis of Presentation

These interim consolidated financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles (GAAP) in Canada. The preparation of financial statements in conformity with GAAP in Canada requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from those estimates. These interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality.

These interim consolidated financial statements do not include the entire note disclosures required for the annual consolidated financial statements, and therefore, should be read in conjunction with audited consolidated financial statements as at and for the year ended December 31, 2006. These interim consolidated financial statements have been prepared following the same significant accounting policies as the most recently issued annual consolidated financial statements except as disclosed in Note 2.

The results of operations for the three and nine months ended September 30, 2007 are not necessarily indicative of results to be expected for the entire year ending December 31, 2007. The Corporation records seismic data revenue related to its shot seismic programs, which are carried out primarily during the winter months. Revenue is recognized upon completion of a program after the related data has been delivered. Therefore, a significant portion of the Corporation's revenue for its shot seismic data is recognized in the winter and spring seasons.

Certain figures with respect to the three and nine months ended September 30, 2006 have been reclassified to conform to the current period's presentation.

2. Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the new Canadian accounting standards for Financial Instruments — Recognition and Measurement, Financial Instruments — Presentation and Disclosure, Hedging and Comprehensive Income. Prior periods have not been restated. The new standards establish guidelines for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. The Company has combined this new statement with its Statement of Income.

On January 1, 2007, an adjustment was made to classify deferred finance charges to long-term debt obligations for \$323,000.

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

2. Changes in Accounting Policies *Continued...*

The new standards require all financial instruments to be classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost determined using the effective interest rate method. Transaction costs attributable to financial instruments classified as other than held-for-trading are included in the recognized amount of the related financial instrument and recognized over the life of the resulting financial instrument. Prior to January 1, 2007, transaction costs were recorded as deferred charges and recognized in net earnings on a straight-line basis over the life of the financial instrument. On adoption, transaction costs are recognized as if the effective interest rate method had always been applied whereby the amount recognized varies over the life of the financial instrument based on principal outstanding. Amortization of premiums or discounts and losses due to impairment are included in current period net income.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income and reclassified to net income when derecognized or impaired.
- Held for trading financial instruments are measured at fair value. All gains and losses on derivatives that are not designated or do not qualify for hedge accounting are included in net income in the period in which they arise.
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value. All gains and losses are included in net income in the period in which they arise.

Under adoption of these new standards, the Company designated its cash as held-for-trading, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Bank indebtedness, accounts payable and accrued liabilities, and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

On adoption, the Company has elected to recognize, as separate assets and liabilities, only those embedded derivatives in hybrid instruments issued, acquired or substantially modified on or after January 1, 2003. The impact of the change in accounting policy related to embedded derivatives was not material.



The Company had no “other comprehensive income or loss” transactions during the three and nine months ended September 30, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

New Canadian accounting standards have been issued which will require additional disclosure in the Company’s financial statements commencing January 1, 2008, regarding the Company’s financial instruments as well as its capital and how it is managed.

3. Acquisitions

During the period ended September 30, 2007, the Company completed the following transactions and has included earnings of the acquiree in income for the current year since the date of acquisition:

- (a) 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.
- (b) On May 24, 2007, the Company acquired the Geomatics Business unit of Veritas Energy Services Partnership (Veritas). Veritas delivers survey audit and geospatial data management services to the seismic industry.
- (c) 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 Partnership (Spectrum). Spectrum provides a full range of onshore seismic data processing services in Western Canada.
- (d) On June 19, 2007, the Company acquired all of the issued and outstanding shares of i Land Data Ltd. (i Land). i Land provides data management related software to the oil and gas industry.

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

3. Acquisitions Continued...

The allocations of the purchase price for the acquisitions have not been finalized. The preliminary allocation of the purchase price, based on management's estimates, is as follows:

	BlueGrouse	Veritas	Spectrum	i Land	Total
Allocation of Purchase Price:					
Cash	\$602	\$-	\$(49)	\$94	\$647
Working Capital (Deficiency) ⁽¹⁾	(15,289)	444	291	74	(14,480)
Data Libraries	40,579	-	-	-	40,579
Participation Surveys in Progress	48	-	-	-	48
Property and Equipment	96	-	79	40	215
Non-competition Agreements	-	250	750	100	1,100
Customer Related Intangibles	3,320	300	190	100	3,910
Proprietary Software and Code	-	1,152	550	696	2,398
Goodwill	-	1,023	549	-	1,572
Convertible Debentures	(8,142)	-	-	-	(8,142)
Future Income Tax Liability	(2,420)	-	(484)	(288)	(3,192)
	\$18,794	\$3,169	\$1,876	\$816	\$24,655
Consideration:					
Cash (Including Acquisition Costs)	\$1,143	\$2,625	\$368	\$380	\$4,516
Promissory Notes	-	544	900	75	1,519
Fair Market Value of Options Exchanged	711	-	-	-	711
4,566,003 Common Shares	16,940	-	-	-	16,940
168,068 Common Shares	-	-	608	-	608
99,716 Common Shares	-	-	-	361	361
	\$18,794	\$3,169	\$1,876	\$816	\$24,655

(1) BlueGrouse includes current portion of long-term debt of \$3,300,000.

The acquisitions were accounted for using the purchase method of accounting whereby identifiable assets acquired and liabilities assumed were recorded at their fair market values as at the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill.

4. Data Libraries

Balance as at	September 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Seismic Data Library	\$183,965	\$50,746	\$96,982	\$37,130
Data Sets	632	385	632	339
Log and Drilling Library	12,121	1,786	12,018	1,346
Reference Library	445	288	445	260
Map Library	239	52	239	40
	\$197,402	\$53,257	\$110,316	\$39,115
Net Book Value		\$144,145		\$71,201

5. Property and Equipment

Balance as at	September 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer Hardware and Software	\$7,595	\$3,825	\$6,707	\$2,825
Office Furniture and Equipment	1,217	588	1,517	475
Leasehold Improvements	1,172	414	706	290
Assets Under Capital Lease	2,056	1,234	1,746	1,047
Land	30	-	30	-
	\$12,070	\$6,061	\$10,706	\$4,637
Net Book Value		\$6,009		\$6,069

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

6. Deferred Development Costs

Balance as at	Sept 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$2,877	\$1,863
Salaries and Benefits (Net of Investment Tax Credits)	1,576	1,321
General and Administrative	353	296
Total Additions	\$1,929	\$ 1,617
Amortization ⁽¹⁾	(539)	(603)
Balance, End of Period	\$4,267	\$2,877

(1) Included in depreciation and amortization on the Statements of Income

7. Intangible Assets

Balance as at	September 30, 2007		December 31, 2006	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Non-competition Agreements	\$3,738	\$737	\$2,638	\$264
Customer Related Intangibles	11,606	2,855	7,695	1,640
Proprietary Software and Code	8,263	1,916	5,865	1,418
Office Leases Below Market Value	2,700	562	2,700	225
Well Logs License Agreement	750	439	750	382
	\$27,057	\$6,509	\$19,648	\$3,929
Net Book Value		\$20,548		\$15,719

8. Bank Indebtedness

On April 24, 2007 the Company replaced its existing operating lenders credit facilities with a new CAD \$60 million credit facility (Note 9(c)).

9. Long-Term Debt Obligations

Balance as at	Sept 30, 2007	Dec 31, 2006
Capital Lease Obligations (a)	\$482	\$659
Promissory Notes (b)	2,144	1,423
Term Loan and Committed Revolver (c)	42,278	7,849
	\$44,904	\$9,931
Current Portion	\$(6,364)	\$(3,295)
Less: Deferred Finance Charges (d)	(1,161)	-
Long-term Portion	\$37,379	\$6,636

(a) **Capital lease obligations:** The Company has capital lease obligations, which have terms of two to three years and bear interest at 2% to 5.8% per annum. Minimum annual lease payments are as follows:

2007	\$329
2008	102
2009	51
	\$482

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

9. Long-Term Debt Obligations *Continued...*

(b) Promissory notes:

Balance as at	Sept 30, 2007	Dec 31, 2006
Unsecured Promissory Notes issued on the acquisition of Focus Holdings and Investments Ltd., bearing interest of 6% per annum, repayable in quarterly instalments of \$39,000 plus interest until September 30, 2007	\$-	\$117
Unsecured Promissory Notes issued on the acquisition of Cavalier Land Ltd., non-interest bearing, repayable in two instalments of \$625,000 on July 18, 2007 and July 18, 2008.	625	1,250
Unsecured Promissory Notes issued on the acquisition of Veritas, bearing interest of 6%, repayable on December 31, 2007.	544	-
Unsecured Promissory Notes issued on the acquisition of I Land, bearing interest of 7%, repayable on June 19, 2008.	75	-
Unsecured Promissory Notes issued on the acquisition of Spectrum, bearing interest of 6%, repayable in two instalments of \$550,000 on June 19, 2008 and \$350,000 on June 19, 2009.	900	-
Unsecured Promissory Notes issued on the acquisition of PDS, bearing interest of 7%, fully repaid in one instalment of U.S. \$50,000 on March 31, 2007.	-	56
	2,144	1,423
Current Portion	(1,856)	(798)
Long-term Portion	\$288	\$625

Principal payments are as follows:

2007	\$1,794
2008	350
	\$2,144

(c) **Term loan:** On April 24, 2007 the Company secured \$60 million in aggregate credit facilities. The credit facilities are available in three tranches: a \$20 million committed revolver and two \$20 million committed term loan facilities. Each tranche is a five-year committed facility from the April 2007 closing date. The Revolver draws are not required to be repaid until maturity, however if advances are paid down in advance they can be redrawn at a later date. Each draw on the term loan facilities is amortized over six years from the date of draw down and repaid on a monthly basis. The Company has two pricing options on all the credit facilities: floating Canadian Base Rate plus 2.00%, or Canadian LIBOR plus 3.25%. The facilities are subject to the Company meeting certain debt covenants.

As at September 30, 2007, \$18.6 million was drawn on the committed revolver, \$18.9 million was drawn on the first committed term loan, and \$4.8 million was drawn on the second committed term loan. The bank facilities are secured by a first floating charge on all the Company's assets.

Principal payments are as follows:

2007	\$4,241
2008	4,241
2009	4,241
2010	4,241
2011	4,241
2012	21,073
	\$42,278

(d) Deferred finance charges:

Balance as at	Sept 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$323	\$409
Additions	1,340	-
Accretion ⁽¹⁾	(503)	(86)
Balance, End of Period	\$1,160	\$323

(1) Included in interest expense on the Statements of Income

10. Convertible Debentures

Balance as at	Sept 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$-	\$-
Additions	8,142	-
Equity Component	(609)	-
Balance, End of Period	\$7,533	\$-

The Company assumed convertible debentures through the acquisition of BlueGrouse (Note 3(a)). Each Debenture bears interest at a rate of 10% per annum and is convertible, in whole or in part, into Common Shares at a conversion price of \$4.48 per Common Share (Conversion Price) at any time on or before November 21, 2008 (Maturity Date). On or before the Maturity Date, the holders of the Debentures shall have the option of either converting their Debentures into Common Shares at the Conversion Price or receiving the cash value of the principal amount of the Debentures, plus any accrued and unpaid interest.

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

11. Equity Instruments

(a) Authorized: An unlimited number of voting common shares

(b) Issued:

Balance as at	September 30, 2007		December 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Common Shares				
Balance, Beginning of Period	35,399	\$47,752	29,874	\$25,631
Issued on Public Offering	-	-	2,300	12,075
Issued on Acquisitions	4,837	17,909	581	2,871
Issued as Retention Bonuses on Acquisitions for Loans Receivable	-	-	160	750
Cancellation of Shares Issued as Retention Bonuses	(17)	(84)	-	-
Reclassification to Common Shares on Share Purchase Loan Forgiveness	-	201	-	-
Exercise of Share Purchase Warrants - Cash Consideration	538	1,346	1,962	4,904
Exercise of Share Purchase Warrants - Reclassification of Fair Value	-	337	-	1,227
Exercise of Broker Compensation Options - Cash Consideration	220	441	129	258
Exercise of Broker Compensation Options - Reclassification from Contributed Surplus	-	173	-	101
Exercise of Stock Options - Cash Consideration	523	761	393	488
Exercise of Stock Options - Reclassification of Contributed Surplus	-	190	-	236
Share Issue Costs (Net of Future Taxes of \$Nil (2006 - \$366,000))	-	-	-	(789)
	41,500	\$69,026	35,399	\$47,752
Less Share Purchase Loans	-	(540)	-	(1,235)
Balance, End of Period	41,500	\$68,486	35,399	\$46,517
Share Purchase Warrants	Number of Warrants	Amount	Number of Warrants	Amount
Balance, Beginning of Period	538	\$337	2,500	\$1,564
Exercised	(538)	(337)	(1,962)	(1,227)
Balance, End of Period	-	\$-	538	\$337
Total Equity Instruments		\$68,486		\$46,854

(c) **Broker compensation options:** As at September 30, 2007, outstanding broker compensation options to purchase common shares were as follows:

Balance as at	Sept 30, 2007		Dec 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, Beginning of Period	220	\$172	349	\$273
Exercised	(220)	(172)	(129)	(101)
Balance, End of Period	-	\$-	220	\$172

(d) **Normal course issuer bid:** On January 9, 2007 the Company received approval from the TSX to repurchase up to 1,770,000 of its common shares at prevailing market prices commencing on January 15, 2007 and terminating on the earlier of the January 14, 2008 and the date on which the maximum number of common shares are purchased pursuant to the Issuer Bid. No shares have been repurchased for the period ended September 30, 2007.

(e) **Contributed surplus:**

Balance as at	Sept 30, 2007	Dec 31, 2006
Balance, Beginning of Period	\$2,008	\$1,269
Stock Compensation Expense	1,164	1,076
Fair Value of Stock Options Exchanged on Acquisition of BlueGrouse	711	-
Reclassification to Common Shares on Exercise of Options	(190)	(236)
Reclassification to Common Shares on Exercise of Broker Compensation Options	(173)	(101)
Reclassification to Common Shares on Share Purchase Loan Forgiveness	(201)	-
Balance, End of Period	\$3,319	\$2,008

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

11. Equity Instruments Continued...

- (f) **Stock Options:** The Company has established a stock option plan (the "Plan") whereby the Company may grant options to purchase common shares to directors, officers, employees and consultants. The options have a five-year term and are exercisable pursuant to a vesting schedule of one-third following the first anniversary of the grant date, one-third following the second anniversary of the grant date, and the remaining one-third following the third anniversary of the grant date. 4,041,369 Common Shares of the Company have been reserved under the Plan.

The following is a continuity of stock options outstanding for which shares have been reserved:

	Number of Options	Option Price	Weighted Average Price
Options Outstanding, December 31, 2005	2,219	\$0.83 - \$3.00	\$1.55
Options Granted	1,079	\$3.23 - \$6.10	\$5.05
Exercised	(393)	\$0.83 - \$3.00	\$1.24
Forfeited	(139)	\$1.25 - \$6.10	\$3.39
Options Outstanding, December 31, 2006	2,766	\$0.83 - \$6.10	\$2.87
Options Granted ⁽¹⁾	917	\$2.40 - \$8.58	\$4.11
Exercised ⁽²⁾	(523)	\$1.00 - \$3.00	\$1.46
Forfeited ⁽³⁾	(267)	\$1.00 - \$8.58	\$5.32
Options Outstanding, September 30, 2007	2,893	\$1.00 - \$7.52	\$3.29

(1) Includes 336,986 BlueGrouse options that were exchanged for Divestco options and 385,000 options granted to officers and directors.

(2) Includes 168,657 options held by officers and a director.

(3) Includes 50,105 options held by officers and a director.

Stocks options which were outstanding and vested as at September 30, 2007, are summarized as follows:

Options Outstanding	Option Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable Currently	Weighted Average Exercise Price of Options Exercisable
1,009	\$1.00 - \$2.39	\$1.30	1.87	1,009	\$1.30
1,016	\$2.40 - \$4.29	\$3.33	4.00	145	\$3.05
821	\$4.30 - \$6.19	\$5.45	3.72	292	\$5.43
47	\$6.20 - \$7.52	\$7.52	3.57	47	\$7.52
2,893	\$1.00 - \$7.52	\$3.29	3.17	1,493	\$2.47

The per share weighted average fair value of the stock options granted for the nine months ended September 30, 2007, was \$1.35 (2006 – \$2.85). This was estimated using the Black Scholes option pricing model with the following assumptions: an average expected volatility of 70% (2006 – 60%), an average risk free interest rate of 4.2% (2006 – 5.0%), no dividend rate and an expected life of five years. The compensation expense is recognized evenly over the three-year vesting period of the stock options. The options exchanged on the acquisition of BlueGrouse fully vested on the date of acquisition. Therefore no compensation expense was recognized during the period. The fair value has been included in the purchase price.

12. Statement of Cash Flows

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2007	2006	2007	2006
Interest and Income Taxes Paid				
Income Taxes Paid	\$630	\$-	\$945	\$-
Interest Paid (Net of Interest Revenue)	\$1,063	\$306	\$2,348	\$752
Changes In Non-cash Working Capital Balances				
Accounts Receivable	\$(3,563)	\$2,883	\$(6,377)	\$12,062
Investment Tax Credits Recoverable	-	(164)	651	(486)
Prepaid Expenses, Supplies and Deposits	(100)	433	107	550
Accounts Payable and Accrued Liabilities	5,840	(10,630)	(201)	561
Income Taxes Payable			5,807	(13)
Deferred Revenue	1,705	(22,576)	(2,408)	(7,269)
	\$3,882	\$(30,054)	\$(2,421)	\$5,405
Changes In Non-cash Working Capital Balances Related to Operating Activities	\$(8,573)	\$(23,833)	\$(13,198)	\$372
Changes In Non-cash Working Capital Balances Related to Investing Activities	12,455	(6,221)	10,777	5,033
	\$3,882	\$(30,054)	\$(2,421)	\$5,405

At September 30, 2007, the Company held \$133,000 (2006 – \$144,000) of cash and cash equivalents which were denominated in a foreign currency.

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

13. Related Party Transactions

Except as disclosed elsewhere, the Company had the following related party transactions:

- (a) During the nine months ended September 30, 2007, the Company paid \$167,000 (2006 - \$235,000) in brokerage commissions to a company controlled by a director. Included in accounts payable as at September 30, 2007 was \$16,000 (September 30, 2006 - \$7,000) related to these commissions.
- (b) During the nine months ended September 30, 2007, the Company paid \$395,000 (2006 - \$457,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at September 30, 2007 was \$77,000 (September 30, 2006 - \$131,000) related to these legal fees.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

14. Segmented Information

The Company is an oil and gas services company offering products and services to customers in the oil and gas exploration and production industry. The Company's products and services are offered through four segments: Software, Services, Data, and Consulting. In addition, the Company reports its overhead activities through its Corporate and Other segment. The Company operates in two geographic locations — Canada and the United States.

Software sells, maintains, and supports licensed software exploration products. Services provides seismic survey audit, processing and brokerage services as well as mapping, archiving and geophysical/geological services. Data provides a full suite of support data layers as well as developing and maintaining the Company's seismic data libraries. Consulting offers business solutions ranging from business consulting services, ERP systems implementations and CRM systems implementations, to custom software development, hardware devices, network infrastructure and land management services. Corporate and Other includes finance, accounting, human resources, investor relations, and information technology.

The accounting policies of the segments are the same as those described in significant accounting policies in the Company's audited consolidated financial statements as at and for the year ended December 31, 2006. Inter-segment sales and transfers, which are accounted for at market value, are eliminated on consolidation. Operating income (loss) is measured as revenue less operating expenses, interest and depreciation and amortization. Other income (loss) items and income taxes reported on the Company's Consolidated Statement of Income and Retained Earnings are not allocated to the reportable segments.

As at and for the Three Months Ended September 30, 2007

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$2,023	\$5,558	\$15,501	\$3,138	\$-	\$26,220
Inter-segment Revenue	-	-	1,108	-	-	1,108
Operating Income (Loss) ⁽¹⁾	556	106	8,593	12	(3,061)	6,206
Interest Expense (Net of Interest Revenue)	-	-	218	(18)	981	1,181
Depreciation and Amortization	336	654	4,393	311	39	5,733
Total Assets	11,707	26,924	171,981	12,803	1,518	224,933
Goodwill	1,266	4,652	-	4,172	-	10,090
Capital Expenditures ⁽²⁾	28	56	14,067	-	39	14,190
Deferred Development Costs	380	271	-	-	-	651

As at and for the Three Months Ended September 30, 2006

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,752	\$5,092	\$28,895	\$2,518	\$-	\$38,257
Inter-segment Revenue	-	1,200	-	-	-	1,200
Operating Income (Loss) ⁽¹⁾	349	364	7,778	(481)	(2,214)	5,796
Interest Expense (Net of Interest Revenue)	-	-	79	(14)	275	340
Depreciation and Amortization	299	512	19,307	278	40	20,436
Total Assets	8,703	19,805	83,853	10,717	1,960	125,038
Goodwill	1,266	3,081	-	4,170	-	8,517
Capital Expenditures ⁽²⁾	116	231	2,087	-	162	2,596
Deferred Development Costs	344	65	-	-	-	409

(1) Operating income is revenue less operating expenses, interest, and depreciation and amortization

(2) Excludes acquisitions

Notes to Consolidated Financial Statements

September 30, 2007 (Tabular amounts in thousands, unless otherwise stated)

14. Segmented Information *Continued...*

As at and for the Nine Months Ended September 30, 2007						
	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$5,803	\$17,557	\$47,327	\$9,856	\$-	\$80,543
Inter-segment Revenue	-	-	2,930	-	-	2,930
Operating Income (Loss) ⁽¹⁾	1,283	619	25,809	149	(9,224)	18,636
Interest Expense (Net of Interest Revenue)	3	-	474	(39)	2,171	2,609
Depreciation and Amortization	1,064	1,790	14,749	952	123	18,678
Total Assets	11,707	26,924	171,981	12,803	1,518	224,933
Goodwill	1,266	4,652	-	4,172	-	10,090
Capital Expenditures ⁽²⁾	186	370	45,463	-	261	46,280
Deferred Development Costs	1,156	773	-	-	-	1,929

As at and for the Nine Months Ended September 30, 2006						
	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$5,181	\$11,942	\$53,273	\$5,429	\$93	\$75,918
Inter-segment Revenue	-	1,340	-	-	-	1,340
Operating Income (Loss) ⁽¹⁾	1,401	1,221	17,707	(827)	(5,872)	13,630
Interest Expense (Net of Interest Revenue)	-	-	188	(14)	662	836
Depreciation and Amortization	856	1,031	30,047	304	107	32,345
Total Assets	8,703	19,805	83,853	10,717	1,960	125,038
Goodwill	1,266	3,081	-	4,170	-	8,517
Capital Expenditures ⁽²⁾	375	396	67,393	-	277	68,441
Deferred Development Costs	931	278	-	-	-	1,209

(1) Operating income is revenue less operating expenses, interest, and depreciation and amortization

(2) Excludes acquisitions

As at and for the Three and Nine Months Ended September 30, 2007			
	Canada	U.S.	Total
Revenue (Three Months Ended September 30, 2007)	\$25,590	\$630	\$26,220
Revenue	78,934	1,609	80,543
Data Libraries, Participation Surveys in Progress, Property and Equipment, Intangible Assets and Goodwill	177,143	5,012	182,155
As at and for the Three and Nine Months Ended September 30, 2006			
	Canada	U.S.	Total
Revenue (Three Months Ended September 30, 2006)	\$36,712	\$1,545	\$38,257
Revenue	72,511	3,407	75,918
Data Libraries, Participation Surveys in Progress, Property and Equipment, Intangible Assets and Goodwill	102,930	5,799	108,729

15. Major Customers

During the period ended September 30, 2007, 33% of the Company's revenue was derived from five customers with a majority related to sales contacts for seismic data. As at September 30, 2007, these same customers accounted for 26% of the Company's total accounts receivable.

Corporate Information

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Fax: 403.229.4853

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Investor Relations:
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For more information:
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Fax: 303.860.0066

Houston Office
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Parkway East
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Phone: 281.449.6533
Fax: 281.449.6755

Board of Directors

John A. Brussa ^{1,3}
Stephen Popadynetz
Todd A. Chuckry
M. Scott Ratushny ^{2,4}
Edward L. Molnar ^{2,3}
Brent Gough ^{2,3,4}
Wade Brillon

¹ Chairman of the Board
² Member of the Audit Committee
³ Member of the Compensation Committee
⁴ Member of the Corporate
Governance Committee

Officers

Stephen Popadynetz
Chief Executive Officer

Terry Barnhart
President

Todd A. Chuckry
President - Divestco Seismic
Limited Partnership

Roderick Chisholm
Chief Financial Officer

Steve Sinclair-Smith
Chief Operating Officer

Mathew Hepton
VP Software Development

Shannon Niemi
VP Sales & Marketing

Cary Sabraw
VP U.S. Operations, Land

Oliver Kuhn
VP Processing

Peter Zyla
VP Strategy, Logs & Archive, Consulting

Lonn Hornsby
VP Operations - Divestco Seismic
Limited Partnership

Rob Oulton
VP Sales & Marketing - Divestco Seismic
Limited Partnership

Corporate Secretary

Faralee A. Chanin

Controller

Danny Chiarastella

Stock Exchange Listing

TSX: DVT

Lending Institutions

Wells Fargo Financial Corporation Canada

Registrar and Transfer Agent

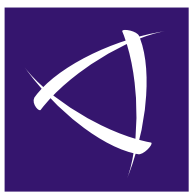
CIBC Mellon Trust Company

Auditors

KPMG LLP

Legal Counsel

Field LLP



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