

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 year ended December 31, 2006 and 2005. 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 March 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: net income plus (minus) items not affecting cash (see Consolidated Statements of Cash Flows)

Funds from operations per share (basic and diluted): funds from operations divided by the weighted average number of shares outstanding (basic and diluted) for the relevant period.



Ashley Craib: Mineral Coordinator, Cavalier Land

Non-GAAP Measures Continued...

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 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.



Victor Irwin: Account Manager, Software and Data

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. Software 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.



(L to R) Danielle Harrison: Account Manager, Geophysical Services, Zubeda Ramji: Audit Data Administrator and Neal Bird: Database Administrator

Management's Discussion and Analysis Continued...

Overall Performance

Financial Results (Thousands, Except per Share Amounts)	Quarter Ended December 31			Year Ended December 31		
	2006	2005	% Change	2006	2005	% Change
Revenue	\$30,546	\$12,874	137%	\$106,463	\$38,754	175%
Operating Expenses	13,693	7,540	82%	42,800	22,277	92%
EBITDA ⁽¹⁾⁽²⁾	16,853	5,334	216%	63,663	16,477	286%
Interest	399	201	99%	1,235	324	281%
Depreciation and Amortization ⁽²⁾	3,706	2,307	61%	36,051	7,870	358%
Operating Income ⁽¹⁾	12,748	2,826	351%	26,377	8,283	218%
Other Income	43	3	1,333%	2,105	32	6,478%
Income Tax Expense	4,101	1,163	253%	8,867	3,137	183%
Net Income	8,690	1,666	421%	19,615	5,178	279%
Per Share Basic	0.25	0.06	317%	0.60	0.20	200%
Per Share Diluted	0.24	0.05	380%	0.58	0.19	205%
Funds From Operations ⁽¹⁾⁽³⁾	16,866	5,151	227%	63,263	15,879	298%
Per Share Basic	0.48	0.17	182%	1.94	0.60	223%
Per Share Diluted	0.47	0.17	176%	1.88	0.59	219%
Shares Outstanding	35,399	29,874	18%	35,399	29,874	18%
Weighted Average Shares Outstanding						
Basic	34,912	29,848	17%	32,665	26,521	23%
Diluted	36,003	30,829	17%	33,704	27,046	25%

Financial Position

(Thousands)

Balance as at December 31

	2006	2005
Total Assets	\$132,942	\$80,198
Working Capital (Deficiency) ⁽⁴⁾	(10,955)	3,515
Long-term Debt (Including Current Portion)	9,931	11,604

(1) See the Non-GAAP Measures Section.

(2) Amortization of deferred development costs is included with depreciation and amortization expense. This presentation change was made in 2006. Comparative numbers also reflect the change.

(3) Amortization of deferred development and deferred finance costs was reclassified from cash flows from investing activities and financing activities, respectively, to cash flows from operating activities. This presentation change was made in 2006. Comparative numbers also reflect the change.

(4) Divestco's bank covenants exclude deferred revenue from the working capital calculation. Excluding the current portion of deferred revenue working capital was a positive \$648,000 at December 31, 2006. The deficiency at December 31, 2006 was in part due to funding a number of 3D seismic surveys (long-term assets) completed in the last half of 2006 with short-term debt and working capital. Divestco is currently addressing the appropriate matching of long-term assets with long-term debt facilities and expects this to be rectified on a go forward basis.

Overall Performance

Consolidated Fourth Quarter Financial Results – 2006

Divestco generated 25 cents per share in earnings (24 cents — diluted) for the fourth quarter of 2006 compared to 6 cents (5 cents — diluted) in 2005. Net income increased by \$7.0 million (421%) to \$8.7 million from \$1.7 million in 2005. This was the Company's 13th consecutive profitable quarter since the company became publicly listed in September 2003. Revenues were \$30.5 million, an increase of \$17.6 million (137%) from \$12.9 million in 2005. Funds from operations improved by \$11.7 million (227%) to \$16.9 million (47 cents per share — diluted) from \$5.2 million in 2005.

Highlights for the fourth quarter were as follows:

- \$13.0 million (181%) increase in Data revenue related to the delivery of a 3D seismic survey, significant data library sales, and an increase in revenue related to the acquisition of Drilling Records in September 2005
- \$2.3 million (81%) increase in Services revenue related mainly to the purchase of Geo-X Processing in May 2006
- \$2.1 million (165%) increase in Consulting revenue from the acquisition of Focus Integrated Solutions Inc. (Focus) in October 2005 and Cavalier Land Ltd. (Cavalier) in July 2006
- \$0.4 million (22%) increase in Software revenue primarily related to the growth in existing product lines and acquisition of Laser Software Limited (Laser Software) in October 2005

Consolidated Annual Financial Results – 2006

Divestco generated 60 cents per share in earnings (58 cents per share — diluted) in 2006 compared to 20 cents (19 cents — diluted) in 2005. Net income was \$19.6 million compared to \$5.2 million in 2005, an increase of \$14.4 million (279%). Revenues were \$106.5 million, an increase of \$67.7 million (175%) from \$38.8 million 2005. Funds from operations improved by \$47.4 million (298%) from \$15.9 million in 2005 to \$63.3 million (\$1.88 per share — diluted) in 2006.



Preparing for an Aerial Drop on a Seismic Shoot

Overall Performance

Consolidated Annual Financial Results – 2006 Continued...

Highlights for fiscal 2006, were as follows:

- \$51.6 million (237%) increase in Data revenue related to the Company delivering eight 3D seismic data surveys, significant data library sales in the fourth quarter of 2006 and an increase in revenue with the acquisition of Drilling Records in 2005
- \$7.6 million (586%) increase in Consulting revenue from the Focus and Cavalier Land acquisitions
- \$6.6 million (63%) increase in Services revenue related mainly to the purchase of the Geo-X Processing assets
- \$1.9 million (35%) increase in Software revenue related to the growth in existing product lines and acquisition of Laser Software in 2005
- \$2.1 million gain on the sale of the Company's

Outlook

General industry activity levels appear to be leveling off in 2007, however, Divestco has many of its assets concentrated in areas where investment must be made or value is lost. Given Divestco's broad product and service offering, some of the Company's divisions may be affected by a leveling off in general industry levels. However, overall the Company has significant visibility and traction entering 2007 and is expecting growth in each business segment.



(L to R) Danielle Panchuk: Sales Administrator and Jennifer Davies: Sales Administrator

Selected Quarterly Information

(Thousands, Except per Share Amounts)

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$30,546	\$38,257	\$18,056	\$19,605	\$12,874	\$7,944	\$9,221	\$8,715
EBITDA ⁽¹⁾⁽²⁾	16,853	26,572	8,049	12,192	5,334	3,044	3,919	4,179
Operating Income ⁽¹⁾	12,748	5,796	2,673	5,163	2,826	1,985	1,019	2,453
Net Income	8,690	3,783	3,550	3,591	1,666	1,312	599	1,601
Per Share - Basic	0.25	0.11	0.11	0.12	0.06	0.05	0.02	0.06
Per Share - Diluted	0.24	0.11	0.11	0.11	0.05	0.05	0.02	0.06
Funds from Operations ⁽¹⁾⁽³⁾	16,866	26,440	8,215	11,751	5,151	3,015	3,689	4,024
Per Share - Basic	0.48	0.78	0.26	0.39	0.17	0.11	0.15	0.16
Per Share - Diluted	0.47	0.74	0.24	0.37	0.17	0.11	0.15	0.16

(1) See the Non-GAAP Measures Section.

(2) Amortization of deferred development costs is included with depreciation and amortization expense. This presentation was made in 2006. Comparative numbers also reflect the change.

(3) Amortization of deferred development and deferred finance costs was reclassified from cash flows from investing activities and financing activities, respectively, to cash flows from operating activities. This presentation was made in 2006. Comparative numbers also reflect the change.

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



Paper Copies of Seismic Data, Divestco Processing

Management's Discussion and Analysis Continued...

Segment Review

Three Months ended December 31, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,873	\$5,142	\$20,114	\$3,417	\$-	\$30,546
EBITDA ⁽¹⁾⁽²⁾	831	1,025	17,091	(39)	(2,055)	16,853
Interest	-	-	132	(8)	275	399
Depreciation and Amortization ⁽²⁾	324	498	2,563	282	39	3,706
Operating Income ⁽¹⁾	507	527	14,398	(313)	(2,371)	12,748

Three Months ended December 31, 2005

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$1,531	\$2,839	\$7,150	\$1,289	\$65	\$12,874
EBITDA ⁽¹⁾⁽²⁾	61	774	5,655	(46)	(1,110)	5,334
Interest	-	-	-	-	201	201
Depreciation and Amortization ⁽²⁾	203	171	1,845	25	63	2,307
Operating Income ⁽¹⁾	(141)	604	3,809	(71)	(1,375)	2,826

Year ended December 31, 2006

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$7,054	\$17,083	\$73,384	\$8,847	\$95	\$106,463
EBITDA ⁽¹⁾⁽²⁾	3,087	3,277	65,034	(576)	(7,159)	63,663
Interest	-	-	318	(22)	939	1,235
Depreciation and Amortization ⁽²⁾	1,180	1,529	32,610	586	146	36,051
Operating Income ⁽¹⁾	1,908	1,748	32,106	(1,140)	(8,245)	26,377

Year ended December 31, 2005

(Thousands)

	Software	Services	Data	Consulting	Corporate and Other	Total
Revenue	\$5,195	\$10,453	\$21,752	\$1,289	\$65	\$38,754
EBITDA ⁽¹⁾⁽²⁾	1,375	2,461	17,212	(46)	(4,525)	16,477
Interest	-	-	-	-	324	324
Depreciation and Amortization ⁽²⁾	794	637	6,187	25	227	7,870
Operating Income ⁽¹⁾	580	1,825	11,025	(71)	(5,076)	8,283

(1) See the Non-GAAP Measures Section.

(2) Amortization of deferred development costs is included with depreciation and amortization expense. This presentation change was made in 2006. Comparative numbers also reflect the change.

Segment Review Continued...

Software

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

Fourth Quarter Financial Results – 2006

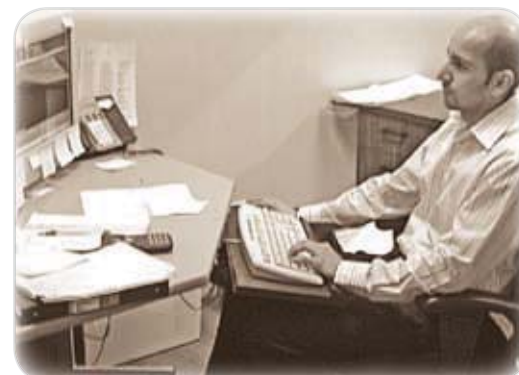
In the fourth quarter of 2006, revenue in Software amounted to \$1.9 million compared to \$1.5 million for the same quarter in 2005, generating 6% (Q4 2005 — 12%) of the Company's total revenue for the three month period. The increase of \$342,000 (22%) was due to a \$209,000 increase in LandRite revenue with the remainder related to increases in GeoVista, WinPICS and MapQ sales.

EBITDA for the fourth quarter was \$831,000 compared to \$61,000 in 2005, an increase of \$771,000 (1,285%). Salaries, and General and Administrative (G and A) expenses decreased by 29% from 2005 due to a greater amount of deferred salaries realized in 2006 which are related to software development initiatives. Amortization was \$324,000 compared to \$203,000 in 2005, an increase of \$124,000 (62%) related additional amortization of deferred development costs. Operating income for Software was \$507,000 compared to operating loss of \$141,000 in 2005, an increase of \$648,000 (460%).

Year To Date Financial Results – 2006

Revenue for 2006 in Software amounted to \$7.1 million compared to \$5.2 million in 2005, generating 7% (2005 — 13%) of the Company's total revenue for the year. The increase of \$1.8 million (35%) was due to increase in LandRite sales of \$1.1 million and an increase of \$800,000 in sales of GeoCarta Tools, GeoVista, MapQ, WinPICS, and OeX over 2005 due to both volume and price increases.

In 2006, EBITDA was \$3.1 million compared to \$1.4 million in 2005, an increase of \$1.7 million (124%). Salaries and General and Administrative (G and A) expenses increased marginally in 2006. While a greater amount of deferred salaries were realized in 2006, related to software development initiatives, increases in salaries came by way of the Laser Software acquisition late in 2005. Amortization was \$1.2 million compared to \$0.8 million in 2005, an increase of \$0.4 million (48%) due to the Laser Software acquisition and additional amortization of deferred development costs. Operating income for Software was \$1.9 million compared to \$0.6 million in 2005, an increase of \$1.3 million (229%).



Hassan Odhwani: Processor In Training

Segment Review Continued...

Outlook

Ongoing development proceeds on all of Divestco's core product lines. 2007 will see the release of new versions of GeoVista, WinPICS, EnvisionVSX, OeX and DataStore.

Strategic evaluation of various products will result in the addition of several key differentiators, providing even more traction to further organic growth. In the months ahead, synergies with many service products should also open numerous new avenues of sales growth, while the Company's continued efforts to develop with a true market focus will result in several new offerings.

WinPICS continues to show strong sales growth and with additional focus and resources being invested towards our geophysical product lines, the Company expects revenues to remain strong and expand over the next 12 months.

Divestco's entire product line, including LandRite and GeoCarta Tools, present various opportunities for solid growth. Using strategic targeted marketing, the Company's Software Sales team is using its best efforts to ensure the proper information our customers and potential customers need to know is getting into the hands of industry decision makers.

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 seismic survey audit, archiving, brokerage and processing, as well as custom mapping and database management services.

Fourth Quarter Financial Results – 2006

In the fourth quarter of 2006, revenue in Services amounted to \$5.1 million compared to \$2.8 million for the same quarter in 2005, generating 17% (Q4 2005 — 22%) of the Company's total revenue for the three month period. The increase of \$2.3 million (81%) was due to \$2.7 million in revenue from the seismic processing division acquired in May 2006 and increases in survey audit, mapping, and archiving revenue related to the completion of a number of 3D participation surveys. This was offset by a portion of brokerage revenue that was moved into the data segment in February 2006.



Mike Perz: Manager, Research and Development, Divestco Processing

Segment Review Continued...

Fourth Quarter Financial Results — 2006 Continued...

EBITDA for the fourth quarter was \$1.0 million compared to \$0.8 million in 2005, an increase of \$0.2 million (32%). Salaries and G and A expenses increased by 99% due to the acquisition of the seismic processing division. Amortization was \$498,000, an increase of \$326,000 (190%) from \$172,000 in 2005, related to the purchase of the seismic processing assets. Operating income for Services was \$527,000 as compared to \$603,000 in 2005, a decrease of \$76,000 (13%).

Year To Date Financial Results — 2006

In 2006, revenue in Services amounted to \$17.1 million compared to \$10.5 million in 2005, generating 16% (2005 — 27%) of the Company's total revenue for the period. The increase of \$6.6 million (63%) was due to \$7.6 million in seismic processing sales and an increase in survey audit related to a number of seismic surveys completed during the year.

In 2006, EBITDA was \$3.3 million compared to \$2.5 million in 2005, an increase of \$0.8 million (32%). Salaries and G and A expenses increased by 73% due to the acquisition of the seismic processing division. Amortization was \$1.5 million compared to \$0.6 million, an increase of \$0.9 million (140%) from 2005 due primarily to the addition of the seismic processing assets. Operating income for Services was \$1.7 million for 2006 and \$1.8 million for 2005. This was offset by a portion of brokerage revenue that was moved into the data segment in February 2006.

Outlook

Significant strides continue to be made in the integration of various disciplines available within the segment to provide improved turnaround and options for customers. Infrastructure refinement is showing improved efficiencies in the movement of data between divisions with customers benefiting by faster delivery and consolidation of services.

Activity in the archive group continues to increase as customers realize the advantage of consolidating, centralizing and managing their data in a secure environment. Completion of a new administration system in the archive area is anticipated for early in the second quarter of 2007. Reprocessing of previously purchased seismic data libraries is nearing completion with the survey audit group recalculating and confirming the surface location and the processing area performing the reprocessing. The seismic brokerage group is anticipating steady sales of seismic data with additional brokers being added to increase exposure for Divestco proprietary data and for regular seismic activity, while regular winter activity levels continue to increase.



Patrick Tutty: Account Manager, Processing

Management's Discussion and Analysis Continued...

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	December 31, 2006	December 31, 2005
2D in Gross Kilometres	58,273	52,244
2D in Net Kilometres	46,273	40,244
3D in Gross Square Kilometres	7,261	5,291
3D in Net Square Kilometres	5,751	3,782

Fourth Quarter Financial Results — 2006

In the fourth quarter of 2006, revenue in Data amounted to \$20.1 million compared to \$7.1 million for the same quarter in 2005, generating 66% (Q4 2005 — 56%) of the Company's total revenue for the three month period. The increase of \$12.9 million (181%) was due to a growth of \$12.4 million in 3D and 2D seismic data revenue related mainly to the delivery of a 3D seismic participation program and some significant 3D data library sales in the quarter, a \$0.3 million increase in revenue from the U.S. division and a \$0.2 million increase in revenue from the log data division.

EBITDA for the fourth quarter was \$17.1 million compared to \$5.7 million in 2005, an increase of \$11.4 million (202%).

Salaries increased slightly from 2006 while G and A increased by \$1.5 million (370%) from the period in 2005 primarily due to the increase in seismic data activity and a one-time charge for a royalty payout. Amortization increased by \$0.7 million (39%) to \$2.6 million in 2006 from \$1.9 million in 2005 related to an increase in seismic survey costs. Operating income for Data was \$14.4 million compared to \$3.8 million in 2005, an increase of \$10.6 million (278%).



Kyly Woods: Accounting Administrator, Cavalier Land

Segment Review Continued...

Year To Date Financial Results – 2006

In 2006, revenue in Data amounted to \$73.4 million compared to \$21.8 million in 2005, generating 69% (2005 — 56%) of the Company's total revenue. The increase in revenue of \$51.6 million (237%) was primarily due to a \$51.1 million rise in seismic data revenue related to the delivery of eight 3D seismic participation surveys and some significant data library sales in the fourth quarter, \$0.2 million increase in support data revenue related to the acquisitions of Drilling Records (Canada), and \$1.2 million increase in revenue from Divestco's U.S. operations related to the acquisitions of PDS and Drilling Records (USA) in 2005. This was offset by a \$0.9 million decrease in log data revenue due to a large one-time data sale made in 2005.

In 2006, EBITDA was \$65.0 million compared to \$17.2 million in 2005, an increase of \$47.8 million (278%). Salaries increased by 39% due to new hires needed to assist the Company with its seismic programs and the addition of staff in both Canada and the U.S. with the Drilling Records and PDS acquisitions in 2005. This was offset by further cost reductions in the log data division. Also as a result of these acquisitions and the increase in seismic data activity, G and A costs increased by \$2.5 million (230%). Amortization was \$32.6 million compared to \$6.2 million, an increase of \$26.4 million (427%) from 2005 due to the addition of eight new 3D seismic surveys and the purchase of an exiting 2D seismic survey. Operating income for Data was \$32.1 million compared to \$11.0 million in 2005, an increase of \$21.1 million (191%).

Outlook

Divestco expects to complete and deliver a number of additional 3D seismic surveys covering approximately 3,500 square kilometres in Alberta and British Columbia. Further augmenting the created 3D datasets, it is expected that Divestco will continue to evaluate and acquire 2D and 3D seismic data and other datasets that complement Divestco's broad data offering.

The Company's U.S. operations completed its reorganization in 2006 with a reduction of 3 operational staff to be replaced by 3-4 new sales staff in the first quarter of 2007. The new sales staff will include the addition of an Oklahoma City-based account manager to expand Divestco's presence in the mid-continent region which has been experiencing very high levels of exploration activity. In the second quarter, a release of a new web delivery system will add more functionality to the drilling and well database. Divestco continues to build its data partner program and added 12 new data partners in the last quarter of 2006. Divestco has targeted the addition of 40 new drilling data partners in 2007 which will significantly add to the coverage and currency of the drilling database.



Sarah Turfrey: Sales Manager

Segment Review Continued...

Consulting

The Consulting segment offers end-to-end 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.

Fourth Quarter Financial Results – 2006

In the fourth quarter of 2006, revenue in Consulting amounted to \$3.4 million, generating 11% of the Company's total revenue for the three month period. \$2.2 million in new revenue was added as a result of the Cavalier Land acquisition. EBITDA was a negative \$39,000. Cavalier Land has generated positive operating results since the acquisition in July 2006 and the losses in the fourth quarter are attributed to the business consulting divisions. The Vancouver consulting office was closed in November 2006 as a result. In Calgary the employment market remained strong and attraction and retention of senior business consulting staff continued to present a challenge. Amortization was \$282,000, a \$257,000 increase from the third quarter of 2006 due to the addition of Cavalier Land. Consulting had an operating loss of \$313,000 for the segment. As this segment was added in October 2005 with the Focus acquisition and expanded with the Cavalier Land acquisition in July 2006, there are no comparative figures to report.

Year To Date Financial Results – 2006

In 2006, revenue in Consulting amounted to \$8.8 million, generating 8% of the Company's total revenue for the year. \$3.5 million in new revenue was added as a result of the Cavalier Land acquisition. EBITDA was a negative \$576,000. Again, Cavalier Land has generated positive operating results since the acquisition in July 2006 and the annual losses are attributable to the business consulting division. Amortization was \$586,000, a \$282,000 increase from the third quarter of 2006 due to the addition of Cavalier Land. This amounted to an operating loss of \$1,140,000 for the segment. As this segment was added in October 2005 with the Focus acquisition and expanded with the Cavalier Land acquisition in July 2006, there are no comparative figures to report.



Judy Kneeshaw: Software Support Analyst

Outlook

Divestco is pleased with the acquisition and profitability of Cavalier Land. The pairing of Cavalier Land services with LandRite, Divestco's industry-leading land administration software, is presenting new opportunities with additional revenue expected to be realized in 2007.

During the first Quarter of 2007, Divestco made several key management, operational and structural changes in the business consulting division. It is expected on a go-forward basis that this division will generate positive returns as the pipeline for their service offering remains strong.

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.

Fourth Quarter Financial Results – 2006

Salaries and wages increased by 119% from \$340,000 in 2005 to \$746,000 in 2006 due to the addition of new staff from various acquisitions as well as new positions created within the Accounting and IT groups to manage the overall growth of the Company. G and A expenses increased by 60% from \$703,000 in 2005 to \$1,131,000 in 2006 due to the increases in stock compensation expense, professional fees, and occupancy costs due to the overall Company growth. Interest costs were \$275,000 in 2006 compared to \$201,000 in 2005. The increase of \$74,000 was primarily due to \$10 million in new long-term debt obtained in late September 2005, \$2.8 million drawn on a \$10 million facility obtained in February 2006 used to assist in financing the Company's seismic programs, and \$3.7 million outstanding on the Company's operating line for the duration of the fourth quarter. Amortization was \$41,000 in 2006 compared to \$63,000 in 2005, a decrease of \$25,000 (39%). Total expenditures amounted to \$2.4 million in 2006 compared to \$1.4 million in 2005, an increase of \$1.0 million (71%).

Year To Date Financial Results – 2006

Revenue is related to income earned from the Company's short-term investments. Salaries and wages increased by \$0.9 million (45%), from \$2.0 million 2005 to \$2.9 million in 2006. The increase was due to the addition of new accounting staff from Drilling Records, Focus, and Laser Software, and a new hire in HR. G and A costs were \$4.3 million in 2006 compared to \$2.5 million in 2005. The increase of \$1.8 million (72%) was primarily due to the fees related to the Company's graduation to the Toronto Stock Exchange in June 2006 as well as increases in stock compensation expense, professional fees, and occupancy costs due to the overall growth of the Company over the previous year. Interest costs were \$939,000 in 2006 compared to \$324,000 in 2005, an increase of \$615,000 (189%). The increase was primarily due to over \$10 million in long-term debt and revolving debt financing used to fund the Company's seismic programs and \$3.7 million outstanding on the Company's operating line. Amortization was \$146,000 in 2006 compared to \$227,000 in 2005, a decrease of \$81,000 (35%). Total expenditures amounted to \$8.2 million in 2006 compared to \$5.0 million in 2005, an increase of \$3.2 million (64%).



Survey Technician Plotting Field Coordinates

Segment Review Continued...

Outlook

The major focus of the Corporate segment over the past several months was on internal control documentation as the Company worked toward the first part of compliance with Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings, and Internal Control over Financial Reporting (ICFR)." Divestco engaged a major accounting firm to assist in its ICFR Project and this work is expected to continue into 2007. Aside from growth related to acquisitions, the Corporate segment does not expect a material increase in expenses in 2007.

Depreciation and Amortization

Depreciation and amortization for the fourth quarter of 2006 was \$3.7 million compared to \$2.3 million in the same period in 2005, an increase of \$1.4 million (61%). The increase was primarily due to:

- 3D seismic participation survey delivered during the quarter with a total acquisition cost of \$3.5 million
- Purchase of the Geo-X Processing assets in May 2006 (\$10.2 million of the purchase price was allocated to tangible and intangible assets [excluding goodwill of \$1.8 million, which is not amortized])
- Acquisition of Cavalier Land in July 2006 (\$5.8 million of the purchase price was allocated to tangible and intangible assets [excluding goodwill of \$3.3 million, which is not amortized])
- \$142,000 in property and equipment additions



John Townsley: Product Manager Specialist

Depreciation and Amortization Continued...

Depreciation and amortization for 2006 was \$36.1 million compared to \$7.9 million in 2005, an increase of \$28.2 million (358%). The increase was primarily due to:

- Eight 3D seismic participation surveys delivered during the year with a total acquisition cost of \$74.4 million
- Purchase of the Geo-X seismic processing assets (\$10.2 million of the purchase price was allocated to tangible and intangible assets [excluding goodwill of \$1.8 million, which is not amortized])
- Acquisition of Cavalier Land (\$5.8 million of the purchase price was allocated to tangible and intangible assets [excluding goodwill of \$3.3 million, which is not amortized])
- \$1.4 million in property and equipment additions with \$1.0 million in computer hardware and software purchases, \$0.4 million related to leasehold improvements made to the premises of the Company's seismic processing division in downtown Calgary
- \$176,000 related to the purchase of software code

Income Taxes

Divestco recorded a current tax provision of \$312,000 in 2006. A future tax provision of \$8.6 million was also recorded compared to \$1.8 million in 2005 as a significant portion of the Company's income was earned through a partnership in 2006.

As at December 31, 2006, the Company had the following tax pools in Canada:

- \$6.5 million of non capital loss carry forwards (begin to expire in 2009)
- \$8.3 million in undepreciated capital cost pools
- \$4.8 million of Federal Scientific Research and Development (SR&ED) expenditures
- \$0.6 million of SR&ED Investment Tax Credits (begin to expire in 2016)

Divestco's U.S. subsidiary also had \$352,000 in net operating losses at the end of 2006 which begin to expire in 2025.



Table for Large Format GIS Mapping Output

Major Transactions

Seismic Related

During the fourth quarter of 2006, Divestco completed a 3D seismic survey covering an approximate area of 1,100 km² at a cost of \$3.6 million (excludes \$0.3 million of costs related to services provided by Divestco's survey audit, seismic processing and archive departments which is eliminated on consolidation).

During the year, Divestco completed eight 3D seismic surveys covering an approximate area of 2,000 km² at a cost of \$74.4 million (excludes \$1.6 million of costs related to services provided by Divestco's survey audit, seismic processing and archive divisions which is eliminated on consolidation).

Corporate

On May 1, 2006, the Company closed the purchase of the seismic processing business of Calgary-based Geo-X Systems Ltd. (Geo-X) for consideration of \$12.7 million. The difference from the previously announced purchase price of \$11.5 million was due to a purchase price adjustment of \$859,000 (calculated in accordance with the acquisition agreement), and the value of the Divestco common shares issued, which was calculated using a price of \$5.62 for accounting purposes (based on the trading value five days before and after the closing date and applying a 20% discount due to a four-month holding period on the shares).

On July 18, 2006, Divestco acquired all of the issued and outstanding shares of Cavalier Land Ltd. for total consideration of \$7.1 million. The difference from the previously announced purchase price of \$7.4 million was due to a purchase price adjustment of \$298,000 (calculated in accordance with the acquisition agreement), and the value of the Divestco common shares issued, which was calculated using a price of \$4.54 for accounting purposes (based on the trading value five days before and after the closing date).

On March 1, 2007, the Company announced that they have entered into an agreement contemplating the acquisition of BlueGrouse Seismic Solutions Ltd. (BlueGrouse) pursuant to a plan of arrangement (the Arrangement). Under the Arrangement, each 3.2 common shares of BlueGrouse will entitle the holder to receive one common share of the Company. The Arrangement is subject to the satisfaction of certain conditions, including court, shareholder and regulatory approvals. A meeting of holders of BlueGrouse shares will be called in due course to consider the Arrangement.



Kristen Muldoon: Accounting Administrator, Cavalier Land

Liquidity and Capital Resources

Working Capital

Excluding the current portion of deferred revenue, working capital was a positive \$648,000 at December 31, 2006 (Divestco's bank covenants exclude deferred revenue from the working capital calculation). Inclusive of deferred revenue, the working capital deficiency at December 31, 2006 was in part due to funding a number of 3D seismic surveys (long-term assets) completed in the last half of 2006 with short-term debt and working capital. Divestco is currently addressing the appropriate matching of long-term assets with long-term debt facilities and expects this to be rectified on a go forward basis. Divestco continues to meet all of its short-term and long-term debt obligations.

Operating Activities

Funds from operations for the fourth quarter of 2006 were \$16.9 million (47 cents per share — diluted) compared to \$5.2 million (17 cents per share — diluted) in 2005, an increase of \$11.7 million (227%). For 2006, funds from operations were \$63.3 million (1.88 cents per share — diluted) compared to \$15.9 million (59 cents per share — diluted) in 2005, an increase of \$47.4 million (298%). The increases were primarily due to a significant growth in seismic data revenue related to eight 3D surveys completed and delivered to clients during the period of 2006 (including one in the fourth quarter) as well as the acquisitions of Laser Software in 2005, Cavalier Land in July 2006 and the purchase of the seismic processing division from Geo-X in May 2006. This was offset by a rise in salaries and operating costs related to the acquisitions.

Financing Activities

The Company's financing activities for 2006 are highlighted as follows:

- \$12.1 million in gross proceeds from a public offering of 2.3 million common shares (\$11.2 million net proceeds)
- \$6.5 million in bank indebtedness including \$2.8 million drawn on a \$15 million credit facility obtained to assist the Company with financing its seismic programs and \$3.7 million drawn on the Company's operating line
- \$3.9 million in proceeds received from the exercise of stock options, broker compensation options and share purchase warrants (fourth quarter 2006 — \$2.7 million)
- \$2.9 million repayment of capital lease obligations, promissory notes and term debt (fourth quarter 2006 — \$0.7 million)



Kirstyn Mackie: Marketing Communications Specialist

Liquidity and Capital Resources Continued...

Investing Activities

The Company's investing activities for 2006 are highlighted as follows:

- \$74.4 million to complete various seismic data surveys (fourth quarter 2006 — \$5.1 million). In addition, there were \$2.7 million spent on on-going surveys at the end of 2006
- \$11.5 million spent to acquire the Geo-X Processing assets (excluding \$1.2 million in shares issued)
- \$4.2 million in cash to acquire Cavalier Land and Agadir Resources (excluding \$1.7 million in shares issued and \$1.3 in deferred consideration. Includes cash acquired of \$0.6 million)
- \$7.8 million in proceeds related to the sale the Company's remaining short-term investments
- \$1.6 million in purchases of property and equipment as well as software code (fourth quarter 2006 — \$0.1 million)

Debt Instruments

Divestco has the following credit facilities in place with HSBC Bank Canada (HSBC):

- \$7 million operating line, bearing interest at HSBC bank prime plus 0.75%. In November 2006, the operating line was increased from \$4.0 million. The aggregate borrowing under this facility cannot exceed 75% of the Company's accounts receivable balance. As at December 31, 2006, \$3.7 million amount was drawn on this facility (December 31, 2005 — \$3.0 million).
- \$15 million short-term revolving demand loan used to help finance the Company's seismic participation surveys. In November 2006, the short-term loan was increased from \$10 million. The loan is due on demand and bears interest at bank prime rate plus 1.00% (increased from 0.75%). As at December 31, 2006, \$2.8 million was drawn on this facility.



Garry Cook: Director Land Services, Cavalier Land

Liquidity and Capital Resources Continued...

Debt Instruments Continued...

- \$150,000 corporate credit card facility reserved for senior management and officers. A nominal amount was drawn on this facility as at December 31, 2006.

The facilities are secured by a general security agreement creating a first priority security interest in all present and after acquired personal property of the Company and a floating charge over all of the Company's present and after acquired real property of approximately \$7.5 million. The facilities are subject to the Company meeting certain debt covenants. As at December 31, 2006, the Company was in violation of its working capital covenant. At the request of the Company, the Bank has agreed to provide forbearance over the covenant breach as at December 31, 2006.

Divestco also has the following credit facility in place with Roynat Capital Inc. (Roynat):

- Term loan bearing interest at Roynat's floating base rate plus 3.00%. The loan is payable in monthly installments of \$165,500 plus interest, with a final installment of \$235,500. \$7.8 million of the loan was outstanding as at December 31, 2006 (December 31, 2005 — \$9.8 million).

Roynat is secured by a first charge on all fixed assets now owned and hereafter acquired by the Company and a floating charge on all other assets, subject to a prior charge (both fixed and floating) to the operating lender of approximately \$7.5 million. The facilities are subject to the Company meeting certain debt covenants. As at December 31, 2006, the Company was in violation of its debt service ratio covenant. The lender has acknowledged the covenant violation as at December 31, 2006 and granted a waiver on the aforementioned covenant breach. Additionally, for a period of 366 days from the December 31, 2006 violation date, the lender will not, as a specific result of the December 31, 2006 covenant violation, request repayment of their facility (other than the scheduled monthly repayment). In addition, the Company is currently in negotiations with Roynat to permanently amend the debt service ratio covenant on a go forward basis.

Expectations are that the expanded credit facilities and funds from operations will be sufficient in the short-and long-term to maintain the Company's current requirements. To meet planned growth, and to fund future capital expenditures, the Company may look at expanding existing credit facilities, obtaining additional debt or replacement sources of financing.



Kelly Boucher: Account Manager, Geophysical Services

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	Mar. 6, 2007	Dec. 31, 2006	Dec. 31, 2005
Common Shares			
Outstanding	35,743,524	35,399,114	29,874,400
Weighted Average Outstanding			
Basic		32,664,507	26,520,656
Diluted		33,704,401	27,045,527
Stock Options			
Outstanding	2,668,164	2,765,706	2,219,403
Exercise Price	\$1.00 to \$6.10	\$0.83 to \$6.10	\$0.83 to \$3.00
Warrants			
Outstanding	521,250	538,500	2,500,000
Exercise Price	\$2.50	\$2.50	\$2.50
Broker Compensation Options			
Outstanding	553	220,553	349,342
Exercise Price	\$2.00	\$2.00	\$2.00

Common Shares

On June 22, 2006, the Company closed an offering of 2.3 million shares at a price of \$5.25 per share. Certain insiders of Divestco and their spouses participated in the offering and acquired an aggregate of 160,000 shares. Gross proceeds to the company were \$12.1 million. The underwriters were paid a commission equal to 6% of the gross proceeds.

During 2006, 1,961,500 warrants were exercised for total proceeds of \$4.9 million, and 128,789 broker compensation options were exercised for total proceeds of \$0.3 million. Subsequent to December 31, 2006, 17,250 warrants were exercised for total proceeds of \$43,000 and 220,000 broker compensation options were exercised for the total proceeds of \$440,000.

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.

Outstanding Share Data Continued...

Stock Options

As at December 31, 2006 there were 3,147,035 (2005 – 2,650,000) common shares authorized for grants of stock options. The increase from 2,650,000 was due to a change from a fixed stock option plan to a floating stock option plan.

During 2006:

- 1,079,015 stock options were granted with exercise prices ranging from \$3.23 to \$6.10 (included 141,000 granted to officers)
- 392,921 stock options were exercised at exercise prices ranging from \$0.83 to \$1.69
- 139,791 stock options were cancelled with exercise prices ranging from \$1.25 to \$6.10

From January 1 to March 6, 2007:

- 45,650 options were granted at a exercise price of \$3.68
- 106,894 options were exercised with exercise prices ranging from of \$1.04 to \$3.00
- 36,302 options were cancelled with exercise prices of ranging from \$1.25 to \$6.10

Commitments

Except as discussed elsewhere, the Company has entered into various commitments primarily related to debt, building and equipment leases and multi-year data licences. The following table is a summary of the Company's contractual obligations as at December 31, 2006:

Payments Due by Fiscal Year (Thousands)	2007	2008	2009	2010	2011	Total
Long-term Debt	\$1,986	\$1,986	\$1,986	\$1,891	\$-	\$7,849
Promissory Notes	798	625	-	-	-	1,423
Capital Leases	511	148	-	-	-	659
Operating Leases ⁽¹⁾	3,382	3,223	3,021	2,642	1,749	14,017
Total Contractual Obligations	6,677	5,982	5,007	4,533	1,749	23,948

(1) Includes amounts paid for occupancy costs (net of subleases), data licences and office equipment leases

Related Party Transactions

Divestco had the following related party transactions:

- In 2006, the Company earned \$66,000 (2005 — \$38,000) in revenue related to data loading, workstation rentals and leasing of office space from companies with common directors. Included in accounts receivable as at December 31, 2006 was \$12,308 (December 31, 2005 — \$13,268) related to this revenue.
- In 2006, the Company paid \$337,000 (2005 — \$205,000) in brokerage commissions to a company controlled by a Director. Included in accounts payable as at December 31, 2006 was \$NIL (December 31, 2005 — \$4,000) related to these commissions.
- In 2006, the Company paid \$467,000 (2005 — \$185,000) in legal fees to the law firm at which the Company's Corporate Secretary is employed. Included in accounts payable as at December 31, 2006 was \$31,000 (December 31, 2005 — \$38,000) related to these legal fees.
- As at December 31, 2005, there was a promissory note due from an officer of the Company in the amount of \$22,000, bearing interest at 4% per annum, which was paid in 2006.
- In 2006, the Company paid \$59,000 (2005 — \$NIL) in legal fees to the law firm at which a Director is a Partner. Included in accounts payable at December 31, 2006 was \$55,000 (December 31, 2005 — \$NIL) 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 expected volatility of 60% (2005 — 60%), a risk free interest rate of 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 recorded in contributed surplus at the date of grant and recognized as a compensation expense over the two-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.



New Accounting Pronouncements

Non-Monetary Transactions

In June 2005, the Accounting Standards Board (“AcSB”) issued Section 3831, Non-Monetary Transactions, which replaces Section 3830 and requires all non-monetary transactions to be measured at fair value unless:

- the transaction lacks commercial substance;
- the transaction is an exchange of a product or property held for sale in the ordinary course of business for a product or property to be sold in the same line of business to facilitate sales to customers other than the parties to the exchange;
- neither the fair value of the assets or services received nor the fair value of the assets or services given up is reliably measurable;
- the transaction is a non-monetary, non-reciprocal transfer to owners that represent a spin-off or other form of restructuring or liquidation.

The new requirements apply to non-monetary transactions initiated in periods beginning on or after January 1, 2006. Earlier adoption is permitted beginning on or after July 1, 2005. The Company does not expect that the adoption of this standard will have any material impact on its results of operations or financial position.

Financial Instruments

The AcSB has issued three sections on financial instruments; Section 1530, Comprehensive Income, Section 3855, Financial Instruments – Recognition and Measurement, and Section 3865, Hedges. These three sections will apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2006. They will require the following:

- all trading financial instruments will be recognized on the balance sheet and will be fair valued through the income statement;
- all remaining financial assets will be recorded at cost and amortized through the financial statements;
- a new statement for comprehensive income that will include certain gains and losses on translation of assets and liabilities;
- an update to Accounting Guideline 13 to incorporate the fair value changes currently recorded in the income statement to be recorded through the comprehensive income statement.

Management has not assessed the future impact on the financial statements of the Company at this time.

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.

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 year ended December 31, 2006 that have materially affected, or are reasonably likely to materially affect, Divestco's internal control over financial reporting.



(L to R) Gareth Martin: Account Manager, Geophysical Services
and Mark Parekh: Account Manager, Software and Data