



Divestco Announces Debt Financing with Certain Directors and Shareholders

September 26, 2018 Calgary, AB (TSX-V: DVT) – Divestco Inc. ("**Divestco**" or the "**Company**") announces that it has entered into secured loan agreements (the "**Loans**"), with Wade Brillon and Marvin Lefebvre, both directors of Divestco, and O Consulting Ltd. (a corporation controlled by Bruce Webster, an existing shareholder of the Corporation) (collectively, the "**Lenders**") for an aggregate of \$2.05 million for the purpose of funding Divestco's immediate working capital needs and general corporate purposes. The Loans have been provided to Divestco without providing 21 days prior written notice to the Divestco shareholders due to Divestco's existing financial condition and the urgency on which such Loans were needed.

Each of the Loans has a six month term and bears interest at a rate of 15% per annum, which interest is anticipated to be paid Divestco through the issuance of Class A shares in the capital of the Company (the "**Shares**") at a deemed price per Share equal to the greater of the Market Price (as such term is defined in the policies of the TSX Venture Exchange) of the Shares on the date of payment and \$0.05 per Share and having an aggregate value equivalent to the amount of interest owing under the Loans. As at the date hereof and based on a deemed price per Share of \$0.05, Divestco has reserved for issuance an aggregate of up to approximately 3,049,727 Shares for this purpose. As at the date hereof, 71,790,108 Shares are issued and outstanding. In the event that all 3,049,727 Shares are issued pursuant to the Loans, an aggregate of 74,839,835 Shares will be issued and outstanding. As at the date hereof, Mr. Brillon owns or controls 8,494,107 Shares. In the event that he receives all of the Shares potentially payable to him under the Loans he will own approximately 12.74% of Divestco's issued outstanding Shares. As at the date hereof, Mr. Lefebvre owns or controls 4,025,000 Shares. In the event that he receives all of the Shares potentially payable to him under the Loans he will own approximately 7.07% of Divestco's issued and outstanding Shares. As at the date hereof, Mr. Webster owns or controls 7,502,126 Shares. In the event that he receives all of the Shares potentially payable to him under the Loans he will own approximately 11.02% of Divestco's issued and outstanding Shares. Each of the Loans is repayable by Divestco at any time without penalty.

The existing bondholders party to Divestco's senior secured bond facility dated April 23, 2018 (the "**Facility**") have agreed to permit the Loans (including the senior secured security interests ranking pari passu to the security interests of such bondholders granted under the Facility) and in accordance therewith have entered into a first amending agreement to the Facility to contemplate the additional amounts to be borrowed by Divestco.

The terms of the Loans in respect of Divestco's covenants and events of default are substantially the same as those set forth in the Facility and Divestco has provided the Lenders with a senior secured security interest ranking pari passu to the security granted under the Facility. Divestco has provided a number of positive and negative covenants customary for loans of this nature including, without limitation, that, unless otherwise permitted under the Loans, Divestco will not: (a) enter into certain fundamental transactions or undertake

significant asset sales without the consent of the Lenders (which consent may not be withheld where the proceeds from such transaction are used to repay or prepay amounts owing to the Lenders); (b) except as would not otherwise result in a material adverse effect, incur any lien with respect to any of its undertakings or assets; (c) other than as contemplated in the Loans, repay shareholder loans or declare dividends without the prior consent of the Lenders; (d) enter into any transaction with affiliates or associates on less favorable terms than in comparable transactions with any other persons; (f) provide any financial assistance to any person or incur additional indebtedness other than in the normal course of business and as would not otherwise have a material adverse effect; (g) continue into any other jurisdiction or change its name without providing notice; (h) materially change the nature of its business unless previously discussed with our disclosed to the Lenders; (i) enter into hedging or swap arrangements outside of the ordinary course of business.

The Loans provide for certain customary events of default which include, without limitation, the nonpayment of amounts owing under the Loans, a breach by Divestco of its covenants under the Loans, events of insolvency, liens on Divestco's assets other than as permitted under the Loans, where a judgement or writ in excess of \$500,000 is obtained or levied against Divestco and not satisfied or discharged within 30 days and the occurrence of a material adverse effect. If an event of default occurs, at the option of the Lenders, the Loans and all other obligations relating thereto shall become immediately due and payable.

The entering into of the Loans may be considered a "Related Party Transactions" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). While MI 61-101 would typically require the Corporation to obtain a valuation and minority approval, the Corporation is relying on the exemptions provided by sections 5.5(g) and 5.7(e) of MI 61-101 and, therefore, no minority shareholder approval is required or will be sought and no valuation is required or will be obtained in respect of the Loan . Divestco's independent directors reviewed and considered Divestco's financial situation and the anticipated impact of such Loans on such situation, Divestco's need for immediate working capital to fund its ongoing operations, the willingness of the bondholders to consent to the Loans and the terms and conditions of the Loans and, acting in good faith, determined that: (i) Divestco is in serious financial difficulty; (ii) the Loans will improve the financial position of Divestco; and (iii) the terms of the Loans are reasonable in the circumstances of Divestco, and as a result of the foregoing, the conditions of the MI 61-101 exemptions have been met. Divestco is required to obtain the approval of the TSX Venture Exchange (the "**Exchange**") in respect of the Loans and there is no assurance that the Exchange will approve the Loans (or the issuance of Shares thereunder) on the terms currently anticipated or at all.

On September 26, 2018, the closing price of Divestco's Shares on the Exchange was \$0.05 per share.

Forward-looking Information: *This press release contains forward-looking information (as such term is defined by applicable securities laws) respecting, among other things, Divestco's intention to enter into a loan with each of Mr. Brillon and Mr. Lefebvre and the terms of such loans. Readers are cautioned that forward-looking information is subject to a number of risks, uncertainties and other factors may cause actual results to differ materially from the forward-looking information provided. In particular, among other risks, the loans and terms thereof are subject to the prior approval of the Exchange and certain of Divestco's senior lenders and there can be no guarantee that the Exchange or such lenders will approve the loans or the current terms thereof; there can be no guarantee that the amounts raised pursuant to the loans will be sufficient to meet Divestco's current needs and, as such, additional financing or other options may need to be pursued; and, there can be no guarantee that Divestco will have the resources available to satisfy all of its working capital needs in the future and for reasons that are currently unforeseen, management may be required to alter Divestco's current business strategy and capital program and there can be no certainty as to what such alterations may be. Divestco does not undertake to update any forward-looking information except as may be required by applicable securities laws.*

About the Company

Divestco is an exploration services company that provides a comprehensive and integrated portfolio of data, software, and services to the oil and gas industry. Through continued commitment to align and bundle products and services to generate value for customers, Divestco is creating an unparalleled set of integrated solutions and unique benefits for the marketplace. Divestco's breadth of data, software and services offers customers the ability to access and analyze the information required to make business decisions and to optimize their success in the upstream oil and gas industry. Divestco is headquartered in Calgary and trades on the TSX Venture Exchange under the symbol "DVT". Additional information on Divestco is available on its website at www.divestco.com and on SEDAR at www.sedar.com.

For more information please contact:

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