



Divestco



## PRESS RELEASE

### DIVESTCO INC. CLOSES PURCHASE OF THE PROCESSING DIVISION OF GEO-X SYSTEMS LTD.

Calgary, Alberta, May 1, 2006 - DIVESTCO INC. (TSX VENTURE: DVT) ("Divestco" or the "Corporation") is pleased to announce that it has closed the previously announced purchase of the Processing Division business of Calgary based Geo-X Systems Ltd. ("Geo-X") for consideration of C\$11.5 million (C\$10.5 million in cash at closing and C\$1 million in common shares of Divestco to Geo-X at a deemed price per share of \$4.69). As previously announced, the Corporation funded the acquisition from the sale proceeds of certain marketable securities, internally generated cash flow and existing bank debt. Coincident with closing, Divestco has instituted a retention program for the Processing Division's key employees. The program will deliver a maximum of 159,914 Divestco shares (the "Escrowed Shares") at a deemed price per share of \$4.69 to be held in escrow and released over a two year period. The issuance of the Escrowed Shares has been conditionally approved by the TSX Venture Exchange. In addition, pursuant to the stock option plan of Divestco, it has granted stock options to all 101 Processing Division employees to acquire up to an aggregate of 425,000 common shares. The options are for a five year term, expiring on May 2, 2011, and are exercisable at a price of \$6.00 per share.

It is expected that once operational synergies are achieved, the Processing Division will contribute to the Corporation approximately \$15 million in revenue and in excess of \$3 million in EBITDA on an annualized basis. Divestco will operate the Processing Division as an independent division within its Services segment headed by Oliver Kuhn. Mr. Kuhn was the former General Manager of the Processing Division and will assume the role of Vice President Processing.

Geo-X Systems Ltd. was formed in 1971 by Don Chamberlain, and has established itself as one of Canada's leading seismic service companies. Since inception, Geo-X has evolved from a seismic data processing software developer into a company with two separate divisions: The ARAM Division (design and manufacture of seismic data recording systems) and the Processing Division. Mr. Chamberlain will continue to own and operate the ARAM Division (under the name ARAM Systems Ltd.) which will have no association with the Processing Division other than a normal business relationship after closing.

Geo-X's Processing Division is Canada's leading seismic processing service provider. The main strength of the division is its expertise in full-range high resolution onshore processing. Its strong R&D group allows it to take seismic projects beyond generic commodity processing, and offer real competitive advantages through the application of advanced processing algorithms and expertise. For more information, please visit their website at: [www.geoxsystems.com](http://www.geoxsystems.com)

Divestco is an innovative software, data, services, brokerage and consulting company providing integrated solutions for the oil and gas industry. By implementing a strategy of integration between our software, services, and datasets, and potentially all three together, we are creating a unique set of offerings. Divestco is headquartered in Calgary, Alberta, Canada and trades on the TSX Venture Exchange under the symbol "DVT".

**For more information please contact:**

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*The TSX Venture Exchange has not reviewed nor accepts responsibility for the adequacy or accuracy of this news release.*

*Statements in this document that may be considered forward-looking are based on management's current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.*

*Earnings before interest, taxes, depreciation and amortization ("EBITDA"); "operating income"; "funds from operations"; and "funds from operations per share (basic and diluted)" are not measures that have any standardized meaning prescribed by Canadian GAAP and are considered non-GAAP measures. Therefore, these measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Corporation's results, liquidity, and its ability to generate funds to finance its operations.*

*Divestco Inc. was recognized as a TSX Venture 50<sup>TM</sup> company in 2005. TSX Venture 50 is a trademark of TSX Inc. and is used under license. The TSX Venture 50<sup>TM</sup> are the top 10 companies in each of five major industry sectors – mining, oil & gas technology, life science and diversified industries – based on a ranking formula with equal weighting given to one-year revenue (last reported 12 months), return on investment, market cap growth and trading volume. All data was as of August 31, 2005. The 2005 TSX Venture 50<sup>TM</sup> is not an invitation to purchase securities listed on Toronto Stock Exchange and/or TSX Venture Exchange. TSX Group Inc. and its affiliates do not endorse or recommend any securities referenced in this ranking. Neither TSX Group Inc. nor its affiliated companies represent, warrant or guarantee the accuracy or the completeness of the information. You should not rely on this information contained herein for any trading, business or financial purposes. TSX Group Inc. and its affiliates assume no liability for any errors or inaccuracies herein or any use or reliance upon this information.*