DESTINY RESOURCE SERVICES CORP.

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DESTINY RESOURCE SERVICES CORP. ANNOUNCES 2007 SECOND QUARTER RESULTS

CALGARY, ALBERTA
August 08, 2007

STOCK EXCHANGE: TSX
SYMBOL: DSC

Destiny Resource Services Corp. (DSC:T) announced today its 2007 Second Quarter results.

"A challenge in composing this letter is figuring out how best to tell you there is bad news and there is good news. " said Bruce Libin, Executive Chairman & CEO. "We want you, as owners of our business, to better understand the issues, challenges and opportunities we face, the environment in which we operate and the deliberations we undertake."

Bad news: business is down and we are eliminating our dividend for the third quarter.

Good news: we like where we are positioned, what we see and the opportunities in front of us

FINANCIAL HIGHLIGHTS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2007	**2006**	Change	**2007**	**2006**	Change
($000s, except per share amounts)	**$**	**$**	%	**$**	**$**	%
Revenue	**11,633**	**16,934**	(31)	**28,830**	**43,133**	(33)
EBITDA [(1)]	**831**	**1,755**	(53)	**2,547**	**7,368**	(65)
Per share – basic and diluted	**0.15**	**0.31**	(53)	**0.46**	**1.32**	(65)
Net income for the period	**177**	**504**	(65)	**1,834**	**3,817**	(52)
Per share – basic and diluted	**0.03**	**0.09**	(65)	**0.33**	**0.68**	(52)
Weighted average shares outstanding for the period *(000s)*						
Basic [(2)]	**5,577**	**5,575**	0	**5,577**	**5,575**	0
Diluted [(2)]	**5,594**	**5,596**	0	**5,594**	**5,595**	0

As at	**June 30, 2007** $	Dec. 31, 2006 $	Change %
Working capital	**3,600**	5,620	(36)
Total assets	**27,395**	31,180	(12)
Shareholders' equity	**13,280**	14,123	(6)
Book value per share outstanding	**2.38**	2.53	(6)

(1) "EBITDA" is provided to assist investors in determining the ability of Destiny to generate cash from operations. EBITDA is calculated from the consolidated statements of operations and retained earnings as gross margin less general and administrative expenses (not including gain on disposal of property and equipment). This measure does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies; however, Destiny is consistent in its calculation of EBITDA for each reporting period.
(2) There are 5,577,081 shares and 50,000 options outstanding as at August 8, 2007.

Mr. Libin continued with the balance of the Letter to Shareholders from the Q2.07 Report:

NO DIVIDEND FOR Q3'07

When our Board of directors met in February to declare the $0.24 per share dividend Destiny paid in Q1'07, our collective belief was 2007 would yield earnings per share in the range to permit, albeit with a very high pay-out ratio, dividends for the year of $0.96.

When our Board met in May to declare the $0.24 per share dividend Destiny paid in Q2'07, our collective belief was, while 2007 earnings would be less than $0.96, our cash flow, less capital requirements, would permit the sustaining of the dividend.

Subsequently, each month has seen a reduction of our expectations for the year and, interestingly, an increase in the opportunities we have to make investments for the growth and prosperity of our Company.

As we now assess the factors to be considered in paying a dividend, as laid out in our last letter to shareholders, we conclude the wisest course of action today is to eliminate the dividend for Q3'07. This is done in the context of knowledge today, the review of all appropriate issues that will take place in November with respect to the question of a dividend in Q4'07 and Destiny's intention, all things being equal, to be a dividend paying company.

Q2'07 AND H1'07 RESULTS

Revenue, EBITDA and net income, both absolute and per share, are down significantly for the quarter and the half, roughly the same proportionate decline for the quarter and for the half. The causes, discussed at greater length elsewhere, are relatively simple. Industry activity is down and so revenue is down and margins are squeezed by competitive factors. Operating costs have not dropped with activity and our level of fixed costs has risen, both factors causing margin dollars and margin percentages to fall. The mysteries of accounting for income taxes then come into play, actually contributing to our bottom line results for both the quarter and the half.

While these results are frustrating, especially when compared to the exceptional year of 2006, we are not unhappy with what the year as a whole will provide and everyone in Destiny is working very hard to convert our positive view on the rest of the year and on 2008 into reality.

SAFETY

Destiny continues to have an exceptional safety record, a reflection of our commitment to this core value. We are pleased to announce Pete Scott is assuming the responsibility for leading our overall safety program. Pete, Vice-President, Drilling, will add Chief Safety Officer to his business card. Pete replaces Joe Pilieci, who will continue with his responsibilities as Vice-President, Survey & Mapping. Joe has done an exceptional job during his leadership of our safety program, adding management skills and corporate focus to an already strong set of divisional programs. We thank Joe for his efforts and contribution in this regard.

US OPERATIONS

As discussed in our Q1'07 report, Destiny continues to look to our opportunities and our ability to pursue them in the United States. We are now occupying our new premises in Houston, we have added to our overall corporate geomatics expertise by hiring Jim Gillis as our Operations Manager for our US Survey business. In addition, Ray Wall, our most senior Operations Supervisor for Wolf Survey & Mapping is in the process of moving to Houston.

KODIAK NAV SOLUTIONS

Destiny has made meaningful progress in the development of our heli-portable survey technology since our last report. Product testing to date has met our internal benchmarks and we are now in the final phase of testing and procedure development. While the challenges previously outlined remain and we will continue to assess the value of Kodiak relative to its book cost, we are encouraged by the promise of using this tool in the near future.

OUTLOOK

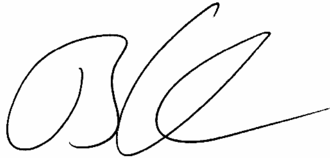
2007, while disappointing in comparison to 2006, will turn out to be quite reasonable for Destiny. We will earn reasonable operating income, generate cash in excess of our capital expenditures and our dividend and grow in capacity, reputation and ability. Furthermore, we believe we will have the opportunity to exploit that capacity, reputation and ability as 2007 ends and we move into 2008. Our outlook for 2008, while based only on early signals from the market, is positive. We see a return to greater exploration expenditures in Canada, a continued relatively strong market in the United States and the potential for Destiny to examine other acquisition opportunities and other geographic markets.

To repeat from the Q1'07 report: "We like the businesses we have, the quality reputation we have earned and the opportunities in front of us. Coupled with the relative strength of our balance sheet, the leadership ability of our senior people and the support of our largest shareholders, we see Destiny as having the ability to provide healthy returns on its investments."

OUR PEOPLE

As Destiny experiences the ups and downs of the exploration cycle and the ever present uncertainty over commodity prices, we handle the challenges through the ability, commitment and dedication of our people. Shareholders can take comfort from knowing of the talent in our Company, and the capacity of our employees to use their skills.

On behalf of the Board of Directors,



Bruce R. Libin, Q.C.
Executive Chairman and
Chief Executive Officer

Destiny provides Seismic Front-End Services comprised of seismic survey and mapping (Wolf Survey & Mapping), seismic line clearing (Destiny Resources) and shot-hole drilling (Double R Drilling) to energy explorers and producers and to seismic acquisition companies. Destiny also provides navigation, positioning and asset management technology to improve the productivity and safety of seismic operations through its Kodiak Nav Solutions division and locating services to a variety of industries through its Advanced Locating Service division.

For further information please contact:
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DESTINY RESOURCE SERVICES CORP.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30, 2007	December 31, 2006
	$	$
ASSETS *[note 3]*		
CURRENT		
Accounts receivable *[note 7]*	**12,429,404**	17,361,520
Inventory	**1,416,087**	1,195,769
Prepaid expenses	**786,379**	452,071
Income taxes receivable *[note 4]*	**381,881**	---
	15,013,751	19,009,360
Property and equipment *[note 4]*	**12,109,890**	11,867,270
Intangibles	**271,786**	303,146
	27,395,427	31,179,776
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Bank indebtedness *[note 3]*	**4,268,121**	1,966,658
Accounts payable and accrued liabilities	**7,118,414**	11,376,336
Income taxes payable	**27,562**	46,710
	11,414,097	13,389,704
Future income taxes	**---**	3,667,330
Other long term liabilities *[note 2]*	**2,701,433**	---
Commitments and contingencies *[notes 3 and 8]*		
Shareholders' equity		
Share capital	**8,369,935**	8,369,935
Retained earnings	**4,909,962**	5,752,807
	13,279,897	14,122,742
	27,395,427	31,179,776

See accompanying notes to the consolidated financial statements.

DESTINY RESOURCE SERVICES CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	**2007**	2006
(unaudited)	**$**	$	**$**	$
Revenue	**11,633,287**	16,934,140	**28,829,524**	43,132,951
Direct expenses	**10,308,611**	14,427,638	**24,048,245**	33,355,095
Gross margin	**1,324,676**	2,506,502	**4,781,279**	9,777,856
Other expense (income)				
General and administrative	**493,640**	751,069	**2,233,343**	2,410,186
Amortization of property and equipment	**806,276**	775,045	**1,621,843**	1,527,284
Loss (gain) on disposal of property and equipment	**5,821**	10,305	**(45,781)**	(15,110)
Interest expense	**43,349**	85,852	**103,699**	140,230
	1,349,086	1,622,271	**3,913,104**	4,062,590
Income before income taxes	**(24,410)**	884,231	**868,175**	5,715,266
Income taxes				
Current tax expense/(recovery)	**(201,715)**	946,324	**2,701,352**	1,897,785
Future tax recovery	**---**	(566,144)	**(3,667,330)**	---
Net income and comprehensive income for the period	**177,305**	504,051	**1,834,153**	3,817,481
Retained earnings, beginning of period	**6,071,156**	5,412,302	**5,752,807**	3,436,889
Dividends *[note 5]*	**(1,338,499)**	(1,338,017)	**(2,676,998)**	(2,676,034)
Retained earnings, end of period	**4,909,962**	4,578,335	**4,909,962**	4,578,335
Basic and diluted per share amounts *[note 6]*				
Net income for the period per common share				
Basic and diluted	**0.03**	0.09	**0.33**	0.68

See accompanying notes to the consolidated financial statements.

DESTINY RESOURCE SERVICES CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	**2007**	2006
(unaudited)	**$**	$	**$**	$
CASH FLOWS PROVIDED BY (USED IN):				
Operating activities:				
Net income	**177,305**	504,050	**1,834,153**	3,817,481
Items not involving cash:				
Amortization of property and equipment	**806,276**	775,045	**1,621,843**	1,527,284
Loss (gain) on disposal of property and equipment	**5,821**	10,305	**(45,781)**	(15,110)
Net income tax expense/(recovery)	**(202,104)**	669,651	**(965,897)**	1,235,795
Funds from operations	**787,298**	1,959,051	**2,444,318**	6,565,450
Net change in non-cash working capital *[note 9]*	**2,499,671**	1,369,994	**(224,785)**	(5,884,433)
	3,286,969	3,329,045	**2,219,533**	681,017
Financing activities:				
Net increase (decrease) in bank indebtedness	**(794,748)**	(1,158,253)	**2,301,463**	2,726,194
Dividends paid *[note 5]*	**(1,338,499)**	(1,338,017)	**(2,676,998)**	(2,676,035)
	(2,133,247)	(2,496,270)	**(375,535)**	50,159
Investing activities:				
Purchase of property and equipment	**(1,148,218)**	(837,684)	**(1,902,531)**	(1,291,780)
Proceeds on sale of property and equipment	**60,209**	31,902	**115,209**	31,902
Net change in non-cash working capital *[note 9]*	**(65,713)**	(26,993)	**(56,676)**	528,702
	(1,153,722)	(832,775)	**(1,843,998)**	(731,176)
Decrease in cash for the period	**---**	---	**---**	---
Cash, beginning of period	**---**	---	**---**	---
Cash, end of period	**---**	---	**---**	---

See accompanying notes to the consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") FOR Q2'07

The following discussion and analysis of financial results for the three and six months ended June 30, 2007 ("Q2'07") and June 30, 2006 ("Q2'06") is based on information available until August 8, 2007 (unless otherwise noted) and upon the Company's consolidated interim financial statements for the periods presented, which were prepared in accordance with Canadian generally accepted accounting principles, and should be read in conjunction with the Company's consolidated financial statements and Annual Report for the prior fiscal year ended December 31, 2006.

Certain statements included in this Management's Discussion and Analysis relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements involve known (see "Business Risks") and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results implied by such forward-looking statements.

Non-GAAP Measurements: The MD&A contains the terms Earnings Before Interest, Taxes and Depreciation and Amortization ("EBITDA") and "funds from operations" which should not be considered an alternative to, or more meaningful than "net income" or "cash flow from operating activities" as determined in accordance with Canadian GAAP as an indicator of the Company's financial performance. These terms do not have any standardized meaning as prescribed by GAAP and therefore, the Company's determination of EBITDA or funds from operations may not be comparable to that reported by other companies. EBITDA is calculated from the consolidated statements of operations and retained earnings (deficit) as gross margin less general and administrative expenses (not including gain on disposal of property and equipment). Funds from operations is obtained from the consolidated statements of cash flows and is the subtotal before the first "net change in non-cash working capital". The Company evaluates its performance based on EBITDA and funds from operations. The Company considers funds from operations and EBITDA to be key measures as they demonstrate the Company's ability to generate the cash necessary to pay dividends and to fund future capital investment.

REVENUE

Revenue for year to date 2007 is $28.8 million compared to $43.1 million over the same period in 2006. Activity in the first six months of 2006 was extremely high and did not follow the general seasonality patterns experienced in past years, especially with the traditional annual spring break up. For 2007, a return to the past seasonality trends over the first two quarters was evident and is expected for the balance of the year. The result is that industry activity levels are considerably lower in 2007 than in 2006. At the end of Q1'07 market expectations were that improvements in overall levels of revenues were expected by the fourth quarter of the year. Our belief is that improvements in overall revenue levels in the North American market are expected to occur in 2008.

Two clients exceeded 10% of gross revenues each for Q2'07 and represented in aggregate approximately 61% of current year to date revenues. Over the same period last year there was one client with more than 10% of revenue, representing approximately 53% of the year to date revenue.

GROSS MARGIN

Gross margin for year to date Q2'07 was $4.8 million (16.6% of revenues) compared to $9.8 million (22.7% of revenues) for the same period last year. The trend of lower overall revenues in the current year over last year as experienced in Q1'07 has continued through Q2'07. Current year to date client bidding and work are reflective of this downward pressure on pricing.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include the costs associated with the corporate head office, the lease of the Survey & Mapping division's shop and office, profit sharing and the corporate reorganization. These costs were approximately $2.2 million for the first six months of 2007 which were close to the amount over the same period last year of approximately $2.4 million. Included in these expenses were profit sharing plan accruals at $0.2 million for 2007 compared to $1.7 million for 2006 arising from the different profitability levels in each year. For 2007 expenses of approximately $1 million relating to the Q1'07 corporate reorganization are also included. The ramping up of infrastructure costs in the latter half of 2006 has contributed $0.3 million to the remaining difference between the two years. The Company continues to evaluate overall infrastructure levels in light of existing and planned business and will adjust levels accordingly and where appropriate.

The profit sharing plans were instituted to better align the Company's incentive compensation for key employees with the interests of shareholders. The plans, which replace bonuses and the grant of stock options, are intended to have the participating employees more focused on the Company's bottom line performance and to enable the Company to retain and attract operating and executive management in a competitive environment. Awards from the plans are made one-half in cash and one-half in shares, which are purchased in the market.

AMORTIZATION OF PROPERTY AND EQUIPMENT

Amortization expense at $1.6 million for the first six months of 2007 was close to the level for the same period last year of $1.5 million. Total net book value of property and equipment of $12.1 million at the end of Q2'07 remains near the $11.9 million at last year end. For Q1 and Q2 for both years, quarterly amortization is approximately $0.8 million.

INTEREST EXPENSE

Interest expense for year to date Q2'07 was at the same level as year to date Q2'06 at $0.1 million. All interest expense for both periods relates to this short-term bank operating facility.

INCOME TAXES

Pursuant to the reorganization conducted during Q1'07 the Company does not expect to have any current taxes payable for 2007. Scientific research and development expenditures for 2005 have now been finalized and submitted for allowable tax deduction. These current year activities have increased total non-capital tax loss carry forwards available for the future which has resulted in no future income tax obligation at the end of Q2'07. Additionally, the Company is pursuing allowable scientific research and development deductions for 2006 and will recognize these upon completion of the claim.

SUMMARY OF QUARTERLY RESULTS

(000's, except per share amounts)	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q2 2006**	**Q1 2006**	**Q4 2005**	**Q3 2005**	**Q2 2005**
Total Revenue	**11,633**	**17,196**	**22,261**	23,636	16,934	26,199	11,844	21,216	14,793
Net income for the period	**177**	**1,657**	**1,982**	1,869	504	3,313	1,842	1,325	1,979
Basic earnings per share	**0.32**	**0.30**	**0.36**	0.34	0.09	0.59	0.33	0.24	0.36
Diluted earnings per share	**0.32**	**0.30**	**0.35**	0.34	0.09	0.59	0.33	0.24	0.36
Number of shares outstanding weighted average									
Basic	**5,577**	**5,577**	**5,576**	5,575	5,575	5,575	5,568	5,554	5,548
Diluted	**5,594**	**5,595**	**5,595**	5,594	5,596	5,596	5,591	5,567	5,571

The above noted Summary of Quarterly Results highlights the following:

1. The Company's business is seasonal with Q1 and Q3 traditionally being the two strongest quarters. The underlying causes of the seasonality are weather conditions, the Company being restricted from entering and conducting work in designated wildlife areas at certain times of the year and the timing of client capital spending programs.

LIQUIDITY AND CAPITAL RESOURCES

Destiny's capital requirements consist primarily of working capital necessary to fund operations, capital expenditures related to the purchase and manufacture of operating equipment, payment of dividends and capital to finance strategic acquisitions. Sources of funds available to meet these capital requirements include cash flow from operations, external lines of credit (bank facility with the ability to draw up to $10 million at prime plus 0.50 %, recently reduced from 0.75%), equipment financing, term loans and access to equity markets.

The Company believes that it has the capital resources and availability to meet its working capital and capital expenditure requirements and to pay dividends in accordance with its dividend policy for 2007 and beyond.

WORKING CAPITAL

Net working capital of $3.6 million at June 30, 2007 has decreased by $2 million from $5.6 million at last year end. Funds from operations generated approximately $2.4 million which was offset by $1.8 of year to date net capital expenditures and $2.7 million in cash dividends. The working capital ratio has reduced to 1.32 at the end of Q2'07 compared to 1.42 at last year end and still remains at a strong level. The Company has available a $10 million revolving demand bank operating loan facility, which was drawn by $4.3 million at the end of Q2'07.

For clients representing more than 10% of trade accounts receivable, approximately 76% of trade accounts receivable at June 30, 2007 (91% at June 30, 2006) are with two clients (two in 2006). With respect to its largest client, Destiny provides services both directly for the client's own account (for the development of seismic data for the client to sell) and indirectly for work for third party exploration and production companies, most of which are substantial oil companies and several of which specify Destiny as their sub-contractor of choice when contracting with Destiny's client. Approximately 91% of trade accounts receivable at June 30, 2007 were less than 60 days old (60% were less than 30 days old).

PROPERTY AND EQUIPMENT

Property and equipment as at June 30, 2007 at $12.1 million was slightly higher than the $11.9 million at December 31, 2006. Amortization for the first six months of 2007 was $1.6 million and was equal for both quarters. Purchases net of disposals of $1.8 million were made over this period and were primarily for sustaining expenditures for the operating business. The SR&D filed claim for 2005 showing as a $0.4 million income tax receivable has been reduced from total development costs. Approximately $0.3 million was incurred for leasehold improvements on the new premises.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company's future contractual payment obligations are in the form of operating leases on premises and equipment. The Company also has a purchase commitment for 4 drills with a supplier in the amount of $1.2 million which is expected to be fulfilled by the end of 2007. These new drills will add capacity to service the increased drilling requirements which are expected for the winter 2007/2008 season. The Company has no hedging, capital leases or any other "off balance sheet" contractual obligations.

	Payments Due by Future Year				
	Total	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
Operating Leases	$8,925,460	$1,569,297	$2,371,667	$1,592,151	$3,392,345

The Company, through the performance of its service obligations, is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury or operations not considered to be complete. The Company maintains a level of insurance coverage considered appropriate by management for matters for which insurance coverage can be maintained.

In September 2003 a statement of claim was filed against the Company and two other companies seeking payment for damages and loss of income totaling $10,000,000. The claim alleges that faulty workmanship (by one of the Company's discontinued operations and two other companies named in the claim) led to significant damage at a major gas plant expansion project.

In September 2004 a subsequent related claim alleging faulty workmanship was filed against the Company and two other companies seeking payment of damages and loss of income totaling $750,000.

The Company believes that both of the above noted claims are completely without merit, and they have been referred to counsel for the Company's insurance provider and will be vigorously defended. As neither the outcome nor the final amount of the claims can be determined, no provision for loss has been made in these financial statements.

SHAREHOLDERS' EQUITY

Shareholder's equity at $13.3 million at the end of Q2'07 decreased from $14.1 million at the end of 2006. Net income for year to date Q2'07 was approximately $1.8 million and cash dividends paid were $2.7 million.

As at August 8, 2007, the number of issued and outstanding common shares is 5,577,081 with 50,000 additional common shares reserved for potential future issuance pursuant to options outstanding under the Company's stock option plan.

Business Risks

Destiny is subject to the risks and variables inherent in the oilfield services industry. Demand for the Company's products and services depend on the exploration, development and production activities of energy companies. These activities are directly affected by factors such as oil and gas commodity prices, weather, changes in legislation, exchange rates, the general state of domestic and world economies, concerns regarding fuel surpluses or shortages, substitution through imports or alternative energy sources, changes to taxation or regulatory regimes and the broad sweep of international political risks such as war, civil unrest, nationalization and expropriation or confiscation, which are all beyond the control of the Company and cannot be accurately predicted. The oil market is influenced by global supply and demand considerations and by the supply management practices of OPEC. The natural gas market is primarily influenced by North American supply and demand and by the price of competing fuels. The risks associated with external competition are minimized by concentrating Company activities in areas where it has demonstrated technical and operational advantages and by employing highly competent professional staff. Environmental standards and regulations are continually becoming more stringent in this industry and Destiny is committed to maintaining its high standards. Destiny also mitigates business risks by establishing strategic alliances with reputable partners, developing new technologies and methodologies as well as investigating new business opportunities.

The risks inherent in the oilfield services industry could impact the Company's ability to meet its financial covenants on its revolving, bank operating loan facility. Bank lines were drawn by $4.3 million as at June 30, 2007 and were well below the maximum allowable limit at that time.

Outlook

Destiny believes that it has adequate working capital, cash flow from operations and access to capital to fund ongoing business requirements. Management believes the Company has a cost structure that has sufficient variability to adapt to the volatility of its industry. The Company has experienced management, at all levels of sales, operations and administration, who are motivated to achieve success in both the short and long-term. The Company provides services principally in connection with the exploration for a commodity, natural gas, which is escalating in value and is plentiful in the areas in which the Company operates.

Over the first two quarters of 2007, a return to the past seasonality trends was evident and is expected for the balance of the year. At the end of Q1'07 market expectations were that improvements in overall levels of revenues were expected by the fourth quarter of the year. Our belief is that improvements in overall revenue levels in the North American market are expected to occur in 2008.

The Company is focused on maintaining quarterly cash dividends as it has over the last two years. For the current year a total of $0.48 per share has been paid. Given lower overall profitability results than originally expected for the year there are currently no plans to pay a cash dividend for Q3'07. However, the Company will assess its performance during Q4'07 and will evaluate the possibility of an additional cash dividend at that time. The determination of the quarterly dividend is done by the board of directors at each quarter based on the prevailing market conditions and expectations for the market for the future.

Development of the US market continues for the Company's services. Investment in infrastructure through personnel and facilities will demonstrate the Company's commitment to being in the US through its Houston office. In the past the Company has only offered US services within the survey division. These services are being expanded to also include drilling and line clearing presently and for the future.

The Kodiak division's product line is expected to approach commercialization by the end of 2007. There is currently a focus on the transition from product development to product deployment and the result of these efforts are expected to create a contributing business line in 2008 as well as a determination of what level of product development activities will be continued for the future.

Destiny periodically encounters expansion opportunities to consider. These involve, in each case, the requirement for capital expenditures beyond the normal course for the Company. Destiny may pursue any or all of these opportunities, and others that may present themselves. In doing so the Company may incur term debt, issue equity, and retain cash that might otherwise be paid as dividends or any combination of the foregoing.

EVALUATIONS OF DC&P AND ICFR

The President & Chief Executive Officer "(CEO") and Vice-President, Finance & Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") for the Company.

In accordance with the requirements of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, evaluations of the design and operating effectiveness of disclosure controls and procedures and the design effectiveness of internal control over financial reporting were carried out under their supervision as of the end of the period covered by this report.

Based on these evaluations, the CEO and CFO have concluded that the Company's disclosure controls and procedures are designed and operating effectively to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, are made known to them by others within those entities. They have also concluded that the Company's internal control over financial reporting are designed effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP").

There was no change to the Company's internal control over financial reporting that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

As a consequence of the Company's small size and limited resources there exist specific control deficiencies resulting from inadequate segregation of duties as desired under an ideal control framework, although the Company does have compensating controls in place in all instances. None of these segregation of duty deficiencies has resulted in a misstatement to the financial statements. Although the possibility of a material misstatement may exist, management believes that the probability of this event is remote. Presently both the Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. Also, the Audit Committee reviews the financial statements and key risks of the Company on a quarterly basis and queries management about significant transactions.

On occasion the Company records complex and non-routine transactions which can be extremely technical in nature and require an in-depth understanding of GAAP and income tax legislation. There is a risk that the reporting of these transactions may not be correctly recorded which could lead to a potential misstatement of the financial statements. The Company addresses this by consulting with third party expert advisors, where required, with the recording of these types of transactions.

ACCOUNTING PRONOUNCEMENTS

As required on January 1, 2007, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA Handbook") with respect to Accounting Changes (Section 1506), Comprehensive Income (Section 1530), Financial Instruments - Recognition and Measurement (Section 3855), Financial Instruments – Disclosure and Presentation (Section 3861), and Hedges (Section 3865). The adoption of these recommendations did not require any retroactive adjustments to the consolidated financial statements. These new sections outline prescribed guidelines for recognition, measurement, presentation and disclosure of these items. A review of Q1'07 did not result in the identification of any items that would affect comprehensive income. The Company has adopted these measures and procedures to review, record and disclose these items where required and as defined in these new sections of the CICA Handbook including disclosure and effect of accounting standards that have been pronounced but not yet implemented.