MANAGEMENT INFORMATION CIRCULAR
Dated November 26, 2020

SOLICITATION OF PROXIES AND PERSONS MAKING THE SOLICITATION

This management information circular (this "**Circular**") is furnished in connection with the solicitation of proxies by the management of Divergent Energy Services Corp. (the "**Corporation**") for use at the special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**Shares**") in the capital of the Corporation to be held on Monday, December 28, 2020 at 10:00 a.m. MDT at 715 – 5th Avenue SW, Calgary, Alberta in the Conference Room on the Main Floor.

The record date for the purpose of determining holders of Shares is November 24, 2020 (the "**Record Date**"). Shareholders of record on the Record Date are entitled to receive notice of and attend the Meeting and vote their Shares, except to the extent that a registered Shareholder has transferred the ownership of any Shares subsequent to the Record Date and the transferee of those Shares produces properly endorsed Share certificates, or otherwise establishes that they own the Shares and demand, not later than 10 calendar days before the Meeting, that their name be included on the Shareholder list, in which case the transferee will be entitled to vote their Shares at the Meeting.

This solicitation of proxies is made on behalf of management. The Corporation will bear the costs incurred in the preparation and mailing of the Meeting materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, email, telephone or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated for their services. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries, custodians, nominees and fiduciaries to forward proxy solicitation material to the beneficial owners of Shares pursuant to the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"). The cost of any such solicitation will be borne by the Corporation.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, Divergent currently intends on holding an in-person shareholder meeting of registered Shareholders or duly appointed proxyholders only (with non-registered Shareholders (i.e. beneficial Shareholders) encouraged to vote by proxy instead). See "*Notice to Beneficial Holders of Shares*" below. However, Divergent will continue to monitor provincial and federal governmental guidance regarding COVID-19 to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning, postponing or changing the format of the Meeting. Divergent will provide updates regarding any changes in respect of the Meeting by way of news release. Shareholders are encouraged to monitor Divergent's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

As the Alberta provincial government has currently recommended against gatherings of over 15 individuals, as of the date of this Circular, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting and the Meeting will otherwise be conducted in accordance with the requirements of any applicable provincial or federal public health directives. In addition, in view of current guidance regarding social distancing and further restrictions on large gatherings, in order to ensure as many Shares as possible are represented at the Meeting, Shareholders are strongly encouraged to complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Shares in their own name are strongly encouraged to complete the voting instruction forms received from their intermediaries/brokers as soon as possible and to follow the instructions set out under "*Notice to Beneficial Holders of Shares*" below.

APPOINTMENT AND REVOCATION OF PROXIES AND EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. As a Shareholder, you have the right to appoint a person, who need not be a Shareholder, to represent you at the Meeting. To exercise this right, you should insert the name of your representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy. The form of proxy should be dated and executed by the Shareholder or an attorney, authorized in writing and with proof of the authorization attached. A form of proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting their Shares in person.

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed and delivered to Computershare Trust Company of Canada, the Corporation's transfer agent ("**Computershare**", or the "**Transfer Agent**"), Proxy Department, by mail at 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, Canada L4B 4R5, or by hand at 8th Floor, 100 University Avenue, Toronto, Ontario, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. You may also send your form of proxy by fax or vote your Shares by telephone or internet pursuant to the instructions contained in the form of proxy.

The Shares represented by a Shareholder's proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

In the absence of such specification, such Shares will be voted FOR the matters to be acted upon as set out herein. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments to or variations of those matters specified in the form of proxy and notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. In the event that amendments to or variations of matters identified in the notice of Meeting or any other matters are properly brought before the Meeting, it is the intention of the persons designated in the form of proxy to vote in accordance with their best judgment on such matter. At the time of printing this Circular, management of the Corporation knows of no such amendment, variation or other matter.

A Shareholder may revoke its proxy at any time prior to a vote. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by its authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, either at the registered office of the Corporation which is located at Suite 1600, 333 – 7th Avenue SW, Calgary, Alberta, T2P 2Z1 or with Computershare, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof. Any revocation made or delivered at the Meeting or any adjournment thereof shall be valid only with respect to matters not yet dealt with at the time such revocation is received by the Chair of the Meeting or the Scrutineer of the Meeting.

NOTICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders do not hold their Shares in their own names. Shareholders who do not hold their Shares in their own names (referred to herein as "**Beneficial Shareholders**") should note that only forms of proxy deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting Shares for their clients. The Corporation does not know for whose benefit the Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form ("**VIF**") in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access Broadridge's dedicated voting website (each as noted on the VIF) to deliver their voting instructions and vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF cannot use it to vote Shares directly at the Meeting. The VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted. Beneficial Shareholders who receive forms of proxy or voting materials from organizations other than Broadridge should complete and return such forms of proxy or voting materials in accordance with the instructions on such materials in order to properly vote their Shares at the Meeting. **Beneficial Shareholders should follow the instructions on the forms that they receive and contact their intermediaries promptly if they need assistance.**

Beneficial Shareholders who wish to appear in person and vote at the Meeting must appoint themselves as proxy by inserting their name in the blank space on the form of proxy or VIF provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "**NOBOs**". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "**OBOs**".

The Corporation intends to send the Meeting materials directly to NOBOs under NI 54-101. The Corporation intends to pay for intermediaries to forward the Meeting materials to OBOs under NI 54-101.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder who wishes to attend the Meeting and indirectly vote its Shares as proxyholder for the registered Shareholder should enter its own name in the blank space on the proxy form or VIF provided to it and return the same to its broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to Shareholders in this Circular, the form of proxy and the notice of Meeting are to registered Shareholders unless specifically stated otherwise.

NOTICE-AND-ACCESS

The Corporation is not electing to use the "notice-and-access" provisions under NI 54-101 for the Meeting in respect of the mailing of the Meeting materials to Shareholders.

QUORUM

Pursuant to the by-laws of the Corporation, a quorum for the transaction of any business at the Meeting shall be at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, and representing in the aggregate not less than 10% of the outstanding Shares. Pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**") and the by-laws of the Corporation, if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As at the Record Date, there were 171,805,697 Shares and nil preferred shares issued and outstanding. Each Shareholder present in person or represented by proxy (and entitled to vote) at the Meeting is entitled to one vote for each Share held on all matters to be considered and acted upon at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Record Date, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the Shares, other than as follows:

Name of Shareholder	Number of Common Shares Beneficially Owned, or over which Control or Direction is Exercises, Directly or Indirectly	Percentage of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
Murray Cobbe	20,000,173	11.64%

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Shareholders are being asked to approve two resolutions, (i) the Consolidation Resolution (as defined below) which, as described in more detail below, would approve the consolidation of the Shares on the basis of one (1) post-consolidation Share for up to every ten (10) pre-consolidation Shares outstanding, or such lesser ratio determined by the Board, and (ii) the Related Party Debenture Conversion Resolution (as defined below) which, as described in more details below, would approve the portion of the conversion of 75% of the outstanding principal amount of convertible debentures held by certain "related parties" into Shares at a price of CAD $0.03 per Share, prior to giving effect to the Consolidation ($0.30 on a post-Consolidation basis).

1. Share Consolidation

Shareholders are being asked to consider, and if deemed appropriate, to approve the special resolution (the "**Consolidation Resolution**") approving the amendment of the Corporation's articles of incorporation to give effect to the Consolidation of the Shares on the basis of one (1) new Share for ten (10) existing Shares or such lesser ratio that the directors, in their sole discretion, determine to be appropriate (the "**Consolidation**").

If the proposed Consolidation is approved by Shareholders, the Board, in its sole discretion, may revoke the special resolution and abandon the Consolidation without further approval or action by or prior notice to Shareholders.

The background to and reasons for the Consolidation, and certain risks associated with the Consolidation, are described below.

The Consolidation is subject to approval of the TSX Venture Exchange ("**TSXV**") and the actual timing for implementation, if any, of the Consolidation would be determined by the Board based upon, among other things, the timing of receipt of all necessary approvals for the Consolidation, and at a time advantageous to the Corporation and its shareholders. The Board reserves the right, even after shareholder approval, to forego or postpone the implementation of the Consolidation if it determines that such action is not in the best interests of the Corporation. No further approval or action by or prior notice to shareholders would be required in order for the Board of Directors to abandon the Consolidation. If the Consolidation is not implemented prior to April 30, 2021, the shareholder approval granted in respect of the Consolidation will be deemed to have been revoked and the Board will be required to obtain new shareholder approval if it wishes to implement a share consolidation. It is the current expectation of Divergent management that the Consolidation will become effective on or about January 7, 2021, or otherwise following receipt of all required approvals.

Background and Reasons for the Consolidation

It is the Board of Directors' opinion that the Corporation's existing issued and outstanding Common Share structure is not conducive to support the Corporation's planned operations and that the Consolidation will facilitate attracting new investors to the Corporation. Additionally, implementing the Consolidation is anticipated to put the Corporation in a stronger position to take advantage of potential new opportunities, and to attract new equity capital in the future at prices which are not below the TSXV's minimum pricing rules. Further, after implementation of the Consolidation, the Shares may be subject to less price volatility given the relative trading price of the Shares.

Certain Risks Associated with the Consolidation

The Corporation's total market capitalization immediately after the Consolidation may be lower than immediately before the Consolidation.

There are numerous factors and contingencies that could affect the Corporation's share price following the Consolidation, including the status of the market for the Shares at the time, the company's progress on strategic objectives, and general economic, geopolitical, stock market and industry conditions, particularly in light of the impacts of the COVID-19 pandemic, and particularly the impact of the pandemic and connected events on the oil and gas industry generally. A decline in the market price of the Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a consolidation.

The market price of the Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Shares outstanding. Furthermore, the liquidity of the Shares could be adversely affected by the reduced number of Shares that would be outstanding following a consolidation. If the Consolidation is implemented, it may result in some shareholders owning "odd lots" of less than 500 Shares on a post-consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per Share to sell, relative to Shares in "board lots" of multiples of 500 Shares.

Other Information Regarding the Consolidation

No Fractional Shares to be Issued - No fractional Shares will be issued in connection with the Consolidation, if implemented, and if a Shareholder would otherwise be entitled to receive a fractional Share upon the Consolidation, such fraction will be rounded up to the nearest whole number. The final basis of the Share Consolidation will be determined by the Board of Directors of the Corporation at the time the Share Consolidation is implemented within the limits described above.

Effects of the Share Consolidation - If approved and implemented, the Consolidation will occur simultaneously for all the Shares and the consolidation ratio would be the same for all such Shares. The consolidation would affect all Shareholders equally. Except for any variances attributable to fractional Shares, the change in the number of issued and outstanding Shares that would result from the Consolidation would cause no change in the capital attributable to the Shares and would not materially affect any Shareholders' percentage ownership in the Corporation, even though such ownership would be represented by a smaller number of Shares. In addition, the Consolidation would not affect any Shareholder's proportionate voting rights. Each Share outstanding after the Consolidation would be entitled to one vote and be fully paid and non-assessable.

The exercise prices and the number of Shares issuable upon the exercise or deemed exercise of any stock options or warrants of the Corporation will be automatically adjusted based on the consolidation ratio selected by the Board of Directors of the Corporation.

In addition, notwithstanding approval of the proposed consolidation by the Shareholders, the Board of Directors, in its sole discretion, may revoke the special resolution, and abandon the consolidation without further approval or action by, or prior notice to, shareholders.

The effects of the Consolidation would be that the number of Shares issued and outstanding would be reduced from approximately 171,805,697 Shares pre-Consolidation, as of the date hereof, to approximately 17,180,570 Shares post-Consolidation (subject to rounding).

Effect on Non-Registered Shareholders

Non-Registered Shareholders holding their Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered Shareholders. If you hold your Shares with a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

Procedure for Implementing the Consolidation

If the Consolidation is approved by Shareholders and the Board decides to implement it, the Corporation will, after obtaining conditional acceptance from the TSXV following the Meeting, file the articles of amendment with the Director under the Act in the form prescribed by the Act to amend the Corporation's articles of incorporation. The Consolidation would then become effective on the date shown in the certificate of amendment issued by the Director under the Act or such other date indicated in the articles of amendment. In accordance with the rules of the TSXV, a new CUSIP number will be assigned and replacement share certificates will be issued. Following the Consolidation, the Corporation shall issue a press release announcing that the Consolidation has occurred. In this case, in order to obtain a new share certificate evidencing the Shares after the Consolidation, shareholders shall tender the certificates evidencing their Shares. To this end, the shareholders will complete the letter of transmittal which will be sent to registered Shareholders following the Meeting assuming the approval of the Consolidation Resolution which contains instructions with respect to the surrender of the Share certificates and return both the letter of transmittal and Share certificates to the Corporation's Transfer Agent. Then the Transfer Agent shall issue the new share certificates to all of those registered Shareholders who have submitted their letters of transmittal. Until surrendered, each certificate representing pre-consolidation Shares will be deemed for all purposed to represent the number of whole post-consolidation Shares to which the Shareholder is entitled as a result of the Consolidation. **Shareholders should not destroy any Share certificates(s) and should not submit any Share certificate(s) until requested to do so.**

No Dissent Rights

Under the Act, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

Special Resolution, Vote Required and Recommendation of the Board

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution substantially in the form noted below (the "**Consolidation Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the Consolidation.

The Board recommends that Shareholders vote for the Consolidation Resolution. To be effective under the Act, the Consolidation Resolution must be approved by not less than two-thirds of the votes cast by the holders of Shares present in person or represented by proxy at the Meeting. The Consolidation Resolution provides that the Board may revoke the Consolidation Resolution before the issuance of the certificate of amendment by the Director under the Act without the approval of Shareholders.

"BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS, THAT:

1. Divergent Energy Services Corp. (the "**Corporation**") is hereby authorized to amend its articles of incorporation to provide that:

    (a) the outstanding common shares of the Corporation (the "**Shares**") shall be consolidated on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation Shares, or such lesser

ratio that the Board of Directors of the Corporation, in their sole discretion, determine to be appropriate;

(b) in the event that the consolidation would otherwise result in the issuance of a fractional Common Share, no fractional Share shall be issued and such fraction will be rounded up to the nearest whole number; and

(c) the effective date of such consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the Act or such other date indicated in the articles of amendment.

2. any officer or director of the Corporation is hereby authorized to execute and deliver all documents and to do all acts and things necessary or desirable to give effect to this special resolution, including, without limitation, the determination of the effective date of the consolidation and the delivery of articles of amendment in the prescribed form to the Director appointed under the Act, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and

3. notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution at any time before a certificate of amendment is issued by the Director."

The foregoing special resolution must be approved by no less than two thirds of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board unanimously believes the passing of the above resolution is in the best interests of the Corporation and unanimously recommends that the Shareholders vote IN FAVOUR of the resolution.**

The management representatives named in the accompanying form of proxy intend to vote in FAVOUR of the Consolidation Resolution, unless a Shareholder specifies in the proxy that his or her Shares are to be voted against the Consolidation Resolution.

2. Related Party Debenture Conversion

As described in the news releases of the Corporation dated October 1, 2020 and November 3, 2020, the Corporation's strategic transformation is underway with a priority on creating a stronger balance sheet in order to attract growth capital for emerging business opportunities in the United States. The first step in the strategic transformation was the conversion of certain existing current liabilities into manageable long-term debt, the repayment of which coincides with the Corporation's expected future cash flows. The next step in the Corporation's strategic transformation is to seek to restructure its previously issued secured debentures bearing interest at a rate of 10% per annum (the "**Debentures**") and having a maturity date of December 31, 2021. In addition to the Debenture Conversion, the Corporation is seeking approval from the Debentureholders to, among other things, extend the maturity date of the remaining Debentures (which will not be converted as part of the Debenture Conversion) to December 31, 2025 and to allow of $3.5m USD future debt capital to rank *pari passu* with the remaining Debentures, all of which require that the Consolidation and Related Party Debenture Resolution be approved. As a bonus for the extension of the remaining 25% of Debenture principal, the Corporation intends to issue to each Debentureholder two (2) common share purchase warrants ("**Warrants**") having an exercise price of $0.30 per share post-consolidation and a term of two (2) years.

Background and Reasons for the Debenture Conversion

General

The Corporation has thus far successfully navigated through the economic downturn in 2020 caused by both the COVID-19 pandemic and the oil price war, however the level of business activity has yet to return to a more normal and profitable level. For these reasons, the Corporation believes that it is likely that, without the restructuring of its Debentures, free cash flow will be insufficient to pay out the full amount of the Debentures when it would otherwise come due December 31, 2021. As described in more detail below, the Corporation believes that the Consolidation is needed prior to effecting the Conversion to comply with TSXV regulations and requirements.

Temporary Relief from the TSXV

On April 8, 2020, in response to the COVID-19 pandemic, the TSXV published a corporate finance bulletin outlining temporary relief (the "**Temporary Relief**") available to issuers lowering the TSXV's minimum pricing requirement for financings from $0.05 to $0.01. The aggregate number of shares that are issued under the Temporary Relief at a price or deemed price that is below $0.05 cannot more than 100% of the number of shares of the issuer which are outstanding, on a non-diluted basis, on April 7, 2020. The Temporary Relief was to remain in effect until September 30, 2020, however the TSXV has since extended the Temporary Relief such that it will apply to shares that are issued on or before December 31, 2020.

As at April 7, 2020, the Corporation had 120,062,601 Shares issued and outstanding and has since issued 51,743,096 Shares in lieu of interest below the $0.05 TSXV minimum pricing requirement, leaving 68,319,505 shares available to be issued before it exceeds the maximum allowable under the Temporary Relief. The number of Shares to be issued to effect the Debenture Conversion (at the pre-Consolidation price of $0.03 per Share) is approximately 143,750,000, or 14,375,000 after giving effect to the Consolidation (subject to rounding), well in excess of the number Shares remaining available for issuance under the Temporary Relief. Accordingly, the Corporation is not able to rely on the Temporary Relief in connection with the Debenture Conversion, and as a result, must first complete the Consolidation so that the Shares issued on conversion are issued at a price which complies with the TSXV's pricing rules.

Other Information Regarding the Debenture Conversion

As at the date of this Circular, the Corporation has an aggregate of $5,750,000 principal amount of Debentures outstanding. The Corporation has obtained expressions of support from over 66 2/3% of the holders of Debentures (the "**Debentureholders**") to convert the amount of the Debentures representing 75% of the principal amount of Debentures outstanding, or CAD $4,312,500 of the Debentures into Shares on a one time *pro-rata* and mandatory basis at the price of CAD $0.03 per Share (pre-Consolidation) (the "**Debenture Conversion**"). Following completion of the Debenture Conversion, there would be approximately 31,555,569 Shares issued and outstanding (on a post-Consolidation basis). In addition, if the requisite approvals are obtained for the extension of the remaining non-converted Debentures, the Corporation expects to issue 2,875,000 Warrants.

Related Party Transaction

Of the principal amount of $5,750,000 Debentures intended to be converted, certain "related parties" own approximately $2,377,000 of the Debentures, accounting for $1,787,750 of the amount of Debentures to be converted as part of the Debenture Conversion. These "related parties" (as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")), are Kenneth Berg, Donald Luft, Kenneth M. Bagan and Murray Cobbe, and their related parties (the "**Related Parties**"). The Related Parties would be entitled to receive approximately 7,923,334 Shares pursuant to the Debenture Conversion (on a post-Consolidation basis) (the "**Related Party Debenture Conversion**").

As a result, the Related Party Debenture Conversion constitutes a "related party transaction" under MI 61-101, for which no exemption is available for use by the Corporation. Therefore, the Related Party Debenture Conversion must be approved by the affirmative vote of a majority of the votes cast by the Minority Shareholders present in person or represented by proxy at the Meeting, which exclude the votes attached to Shares beneficially owned or over which control or direction is exercised by the Related Parties and their respective related parties. The Corporation has been informed that the Related Parties and their related parties beneficially own or have control or direction over **[59,425,000]** Shares (or **[34.59]**% of the outstanding Shares) as at the date of this Circular. Accordingly, votes attached to an aggregate of **[59,425,000]** Shares will be excluded from determining whether or not the Related Party Debenture Conversion Resolution has been approved.

"**Minority Shareholders**" means Shareholders other than: (i) the Related Parties; (ii) any other party that is an "interested party" in respect of the Debenture Conversion; (iii) any party that is a "related party" of (i) or (ii); and (iv) any other party that is a "joint-actor" with any of (i), (ii) or (iii) in respect of the Debenture Conversion, as determined pursuant to MI 61-101.

Valuation Requirements and Exemptions

The Related Party Debenture Conversion constitutes a "related party transaction" under MI 61-101. A formal valuation is typically required for "related party transactions" under MI 61-101. However, the Corporation intends to rely on the exemption under section 5.5(b) of MI 61-101 – Issuer Not Listed on Specified Markets, as no securities of the Corporation are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States. Based on this exemption, the Corporation will not be required to obtain a valuation in connection with the Debenture Conversion.

Ordinary Resolution, Vote Required and Recommendation of the Board

At the Meeting, the Minority Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution substantially in the form noted below (the "**Debenture Conversion Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing the Board to effect the Related Party Debenture Conversion.

The Board, after consulting with its advisors, has determined that it is in the best interests of the Corporation to move forward with the Debenture Conversion in order to reduce the Corporation's debt levels to attempt to attract new capital. Notwithstanding that certain directors are Related Parties, the Board did not determine it to be necessary to comprise an independent committee of directors to evaluate the Debenture Conversion, in light of the fact that the Related Party Debenture Conversion is subject to approval by the Minority Shareholders.

The Board unanimously recommends that the Minority Shareholders vote for the Related Party Debenture Conversion Resolution. To be effective, the Related Party Debenture Conversion Resolution must be approved by not less a majority of the votes cast by the Minority Shareholders present in person or represented by proxy at the Meeting. The Related Party Debenture Conversion Resolution provides that the Board may revoke the Related Party Debenture Conversion Resolution before the issuance of the certificate of amendment by the Director under the Act without the approval of the Minority Shareholders.

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS, THAT:

1. the Related Party Debenture Conversion (as such term is defined in the information circular of the Corporation dated November 26, 2020), is hereby approved;

2. notwithstanding that this resolution has been duly passed by the Shareholders, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the Shareholders, not to proceed with the Related Party Debenture Conversion; and

3. any officer or director of the Corporation is hereby authorized, acting for, in the name of and on behalf of the Corporation, to execute, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such documents, agreements and instruments, and to do or cause to be done all such other acts and things, as such officer or director determines to be necessary or desirable in order to carry out the intent of the foregoing paragraphs of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

The management representatives named in the accompanying form of proxy intend to vote in FAVOUR of the Related Party Debenture Conversion Resolution, unless a Shareholder specifies in the proxy that his or her Shares are to be voted against the Related Party Debenture Conversion Resolution.

Interests of Directors and Others in the Debenture Conversion

Details of the interests of the Related Parties in the Related Party Debenture Conversion are further detailed below:.

	Debentureholder	Principal Amount of Debentures as at the date of the Circular	Pre-Consolidation Shares Issuable (based on a 75% Conversion)	Post-Consolidation Shares Issuable (based on a 10:1 share consolidation)
Related Parties	Ken Bagan	$100,000[(1)]	2,500,000	250,000
	Ken Berg	$30,000[(2)]	750,000	75,000
	Donald R. Luft	$1,247,000[(3)]	31,175,000	3,117,500
	Murray Cobbe	$1,000,000	25,000,000	2,500,000
Non-Related Parties		$3,373,000	84,325,000	8,432,500
Total		$5,750,000	143,750,000	14,375,000

Notes:

(1) Includes $50,000 of Debentures held by Mr. Bagan's spouse.
(2) Includes $5,000 of Debentures held by Mr. Berg's spouse.
(3) Includes $1,000,000 of Debentures held jointly with Mr. Luft's spouse.

RISK FACTORS

In evaluating whether to approve the Consolidation Resolution and the Related Party Debenture Conversion Resolution, Shareholders should carefully consider the following risk factors:

Risks Relating to the Company

If the Debenture Conversion, or the Related Party Debenture Conversion are not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Corporation's management's discussion & analysis for the year ended December 31, 2019, which has been filed on SEDAR.

The Corporation currently faces a lack of financial flexibility, market uncertainty and limited access to new capital. The Corporation currently does not see a path to repay the Debentures in cash on the maturity date of December 31, 2021, as it is unlikely to generate excess operating cash flow to repay them in cash. In addition, the Corporation does not expect to be able to access necessary debt or equity capital markets successfully with its current capital structure. Further, in addition to the Debenture Conversion, the Corporation is seeking approval from the Debentureholders to, among other things, extend the maturity date of the remaining Debentures (which will not be converted as part of the Debenture Conversion) to December 31, 2025 and to allow of $3.5m USD future debt capital to rank *pari passu* with the remaining Debentures, all of which require that the Consolidation and Related Party Debenture Resolution be approved.

Alternatives to the Debenture Conversion Could Have a More Negative Effect on the Corporation

In the event that the Debenture Conversion is not implemented:

- the Corporation's debt levels will not be reduced and the associated net reduction in debt service costs would not be achieved;
- the Corporation's requirement to repay the principal amounts in respect of the Debentures on December 31, 2021 would not be eliminated;
- the Corporation believes it would be unlikely to attract new debt or equity financing;
- the Corporation's cash flow from operations and available liquidity may be insufficient to provide adequate funds to finance its operations and the Corporation may be unable to meet its obligations as they generally become due: and
- The Corporation's suppliers and customers may chose not to continue doing business with the Corporation.

In the event that the Related Party Debenture Conversion is not approved by the Minority Shareholders, the Corporation may be required to pursue other alternatives, including converting only the Debentures which are not held by related parties, subject to requisite Debentureholder approval. In the event this were to be approved by the Debentureholders, the Corporation believes such a transaction would not eliminate the amount of debt necessary to attract new capital. The Corporation may also be required consider other alternatives that could have a more negative effect on the Corporation and its stakeholders, including non-consensual proceedings under creditor protection legislation.

In addition, the Consolidation Resolution is not conditional upon the approval of the Related Party Debenture Conversion Resolution, and if the Consolidation Resolution is approved, the Corporation may implement the Consolidation notwithstanding that the Debenture Conversion will not be completed. If this happens, and if the Corporation is unable to convert the Debentures or any portion of them, there may be a decrease to the value of the Shares.

Requirement for Debentureholder and TSXV Approvals

The Debenture Conversion will not be completed unless and until the requisite Debentureholder and TSXV approvals have been received. There can be no certainty that the Related Party Debenture Conversion will be approved by the Debentureholders and TSXV following the meeting, nor can there be any certainty of the timing of receipt of such approvals. Even if the Debenture Conversion is approved by the requisite number of Debentureholders, it may not be completed or may not be completed on the schedule described in this Circular. Accordingly, Debentureholders may have to wait longer than expected to receive their Shares. If for any reason the Debenture Conversion is not completed, the market price of the Shares may be affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of the Corporation or result in the Debenture Conversion not being completed.

The Debenture Conversion May Not Improve the Financial Condition of the Corporation

The Debenture Conversion is intended to provide the Corporation with financial flexibility. However, the foregoing is contingent on many assumptions that may prove to be incorrect, including without limitation:

- the ability of the Corporation to succeed in obtaining new capital;
- the ability of the Corporation to execute its business plan, including pursuing new business opportunities;
- that the Corporation's current customers will continue operating and that the Corporation's sales levels improve;
- that the Corporation's suppliers will continue to do business with the Corporation;
- that general economic conditions will not deteriorate beyond currently anticipated levels; and
- the Corporation's continued ability to manage costs.

Should any of those assumptions not materialize, the Debenture Conversion may not have the effect of providing the Corporation with the financial flexibility expected or required to implement its business plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the information pertaining to equity compensation plans of the Corporation as at December 31, 2019:

Plan Category	Number of Shares to be issued upon exercise of outstanding Options (a)	Weighted-average exercise price of outstanding Options (b)	Number of Shares remaining available for issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	5,135,000	$0.20	6,871,260[(1)]
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	5,135,000	$0.20	6,871,260 [(1)]

Note:

1. The aggregate number of Shares that may be reserved for issue under the Plan shall not exceed 10% of the issued and outstanding Shares. As at December 31, 2019, the number of issued and outstanding Shares was 120,062,601 and the number of Shares reserved for issue under the Plan was 12,006,260.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers or associates of such persons have been indebted to the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed fiscal year. No such person has been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries in respect of the purchase of securities or otherwise.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person or proposed director of the Corporation or any associate or affiliate of any such persons in any transaction since the commencement of the financial year ended December 31, 2019 or in any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Circular, an "**informed person**" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, to the knowledge of the Board and management of the Corporation, no director, director nominee, or executive officer of the Corporation or anyone who has held office as such since the beginning of the last financial year of the Corporation or of any associate or affiliate of any of the foregoing has a material interest, direct

or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, except as otherwise disclosed herein.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

OTHER MATTERS COMING BEFORE THE MEETING

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying the Circular. However, if any other matter properly comes before the Meeting, the forms of proxy furnished by the Corporation will be voted on regarding such matters in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL OF DIRECTORS

The contents of this Circular and the sending of this Circular have been approved by the Board.

ADDITIONAL INFORMATION

Additional financial information regarding the Corporation's business is contained in the audited consolidated financial statements and management's discussion and analysis as at and for the year ended December 31, 2019. These statements and all the Corporation's continuous disclosure documents can be found on SEDAR at www.sedar.com. Shareholders who wish to receive copies of the audited financial statements or management's discussion and analysis should send a request to Divergent Energy Services Corp., Suite 2020, 715 - 5th Avenue SW, Calgary, Alberta T2P 2X6, or by phone at (403) 543-0060, or by fax to (403) 543-0069.