



## PRESS RELEASE

### **DIVERGENT Energy Services Corp. Announces Operations Update** Symbol (DVG: TSX-V)

CALGARY, ALBERTA – October 2, 2018. **DIVERGENT Energy Services Corp.** ("DIVERGENT" or the "Corporation") is pleased to provide the following operations update.

#### ELECTRIC SUBMERSIBLE PUMP OPERATIONS

The Corporation is preparing its Wyoming operation for the increasing demand that has emerged in the Powder River Basin ("PRB"), within which our Gillette facility is centrally located. Recent reports have stated that Wyoming oil basin deals are on the rise as companies look past Permian Basin and that drilling activity in the PRB has picked up again.

The outlook for the remainder of 2018 and into 2019 includes a stable level of activity from the existing customer base that produces coal bed methane from the PRB and an increase in sales to the oil producing clients in the PRB. Growth in the oil side of the business is directly linked to the amount of inventory kept on hand. We are gradually increasing the number of available sizes of motors and pumps, working diligently within our means as these items have long delivery times and the vendors require payment in advance. We are also working with a number of private pump companies in the United States (that face similar inventory restrictions) to access each other's surplus inventory. Over time, most pump companies accumulate some amount of surplus equipment as clients' needs change, and the ability to share this surplus with other companies can mutually increase sales and reduce surplus inventory, which also generates cash flow. In addition to looking within North America to reduce surplus inventory, we have reached out to a number of overseas pump companies.

#### LINEAR ELECTROMAGNETIC SUBMERSIBLE PUMP (the "Linear Pump")

On August 23, 2018 it was announced that discussions were underway with two clients in Canada, and that the timing of the installations were not yet determined. Those discussions are still underway and at the clients' discretion for timing. Divergent is prepared and ready for the installations. The challenges faced in getting Linear Pumps operating is a reflection of the state of the industry and the risk aversion within Canada.

Divergent remains committed to the technology, however the headwinds in the Canadian energy industry are revealing an ever increasing difficulty in getting clients to approve an install. Management may shift its focus to the United States and pursue opportunities in the Southern USA that have presented themselves.

#### STRATEGY TO MOVE FORWARD

The Corporation recognizes that the above noted challenges with testing the Linear Pump may be prolonged and therefore steps must be taken to deliver value within the products and services that are within our control.

Key Strategies:

- Position the Corporation to take advantage of the near term upswing in PRB activity.
- Explore synergies with other companies to leverage products and services together to increase sales.
- Seek opportunities to expand into basins of high activity such as the Permian and Bakken.

**ABOUT DIVERGENT ENERGY SERVICES CORP.**

Headquartered in Calgary, Alberta, DIVERGENT Energy Services Corp. provides cost effective, innovative technologies and solutions for submersible pumping to benefit our stakeholders. DIVERGENT is committed to increasing client's production while reducing operating costs and carbon footprint. Our Products include Electromagnetic Pumps, Electric Submersible Pumps, and Electric Submersible Progressing Cavity Pumps.

**For further information regarding this news release contact** Ken Berg, President and Chief Executive Officer; or Scott Hamilton, Chief Financial Officer.

DIVERGENT Energy Services Corp., 1500, 715 – 5<sup>th</sup> Ave SW, Calgary, AB T2P 2X6, (403) 543-0060, (403) 543-0069 (fax), [www.divergentenergyservices.com](http://www.divergentenergyservices.com)

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

*This press release contains forward-looking statements, including, without limitation, statements pertaining to anticipated future operational activity levels, expansion opportunities and upcoming Linear Pump tests. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Forward-looking statements are based on estimates and opinions of management of the Corporation at the time the information is presented. The Corporation may, as considered necessary in the circumstances, update or revise such forward-looking statements, whether as a result of new information, future events or otherwise, but the Corporation undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.*

*(Not for dissemination in the United States of America)*