



## PRESS RELEASE

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

CALGARY, ALBERTA – January 28, 2019. **DIVERGENT Energy Services Corp. ("DIVERGENT" or the "Corporation")** is pleased to provide the following operations update.

#### ELECTRIC SUBMERSIBLE PUMP ("ESP") OPERATIONS

The Corporation continues to focus on expanding its existing ESP operations in the Powder River Basin ("PRB"), within which our Gillette, WY facility is centrally located. Demand for products and services remains strong and the increased drilling activity for 2019 is anticipated to translate into increased demand for ESPs.

The outlook for 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. The Corporation believes the key to expansion within our existing service area and into other oil basins nearby is having the correct inventory on hand to realize current and future opportunities. Our strategy is focused on a specific set of producers and the alignment of our sales efforts with our available inventory to maximize the number of clients we can service with an efficient amount of product.

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

The Corporation has concluded that the state of the Canadian oil industry and its associated aversion for risk is a longer-term barrier than previously anticipated. In December 2018, management made the decision to move all the Corporation's Linear Pump assets to the United States. Discussions are underway for access to a test well in the southern US for long-term use. Once we have demonstrated longer run times and are able to deliver a proven solution, we expect the current barriers to installations in Canada will cease to exist and we will re-enter the Canadian market.

#### STRATEGY TO MOVE FORWARD

The Corporation recognizes that the above noted challenges have prolonged the development stage of the Linear Pump, therefore steps are being 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.
- Perform Linear Pump tests internally and prove out the product prior to installing in a client's well.

**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 clients' 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.

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