



PRESS RELEASE

DIVERGENT Energy Services Announces a Financial Update

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – October 1, 2020. **DIVERGENT Energy Services Corp.** ("**Divergent**", the "**Company**", or "**DVG**") is pleased to announce an update on its financial position.

As highlighted in our Investor Presentation for the Annual General Meeting held on June 25, 2020 (available on our website: www.divergentenergyservices.com), a strategic transformation is underway to address the financial challenges facing the Company. Improving the working capital ratio is fundamental to the Company's ability to access growth capital. A key first step is to negotiate the conversion of certain current liabilities into manageable long-term debt the repayment of which coincides with the Company's expected cash flows.

In this regard, the Company and its primary inventory supplier have entered into an agreement to convert an existing current liability of USD \$2 million into a long-term, subordinated secured promissory note ("Note"). The Note has a 4-year term, an interest rate of 10% per annum, and quarterly payments commencing on September 30, 2020. To accommodate near-term cash flow expectations, interest payments in the earlier years are deferred. Payments of principal and interest gradually increase over the term of the Note, with principal payments of US\$175,000 being due within the first year. The subordinated security is specific to identified inventory that has been received from the supplier and has become slow moving. The agreement is critical to stabilizing Divergent's business and supporting the anticipated growth in operations during the four-year term of the Note. It also allows sufficient time for the Company (and the industry) to regain its footing following the recent downturn in the business environment.

-----End-----

For Further Information:

Ken Berg, President and Chief Executive Officer, kberg@divergentenergyservices.com

Lance Mierendorf, Interim Chief Financial Officer, lmierendorf@divergentenergyservices.com

ABOUT DIVERGENT ENERGY SERVICES CORP.

Headquartered in Calgary, Alberta, Divergent provides Artificial Lift products and services that are used in the oil and gas industry. Product lines including Electric Submersible Pumps, Electric Submersible Progressing Cavity Pumps, and the future development of an Electromagnetic Pump technology.

DIVERGENT Energy Services Corp., 2020, 715 – 5th Ave SW, Calgary, AB T2P 2X6, (403) 543-0060, (403) 543-0069 (fax), www.divergentenergyservices.com

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements, including, without limitation, statements pertaining to anticipated future operational activity levels of Divergent and of a majority of its customers, and statements pertaining to interest payments on the Company's debentures. . All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties, including: the risk that the anticipated slowdown in sales and service of submersible pumps by Divergent's customers lasts longer than expected or impacts Divergent's revenues more severely than expected, the risk that the COVID-19 pandemic and the low oil and gas price environment cause additional negative effects on Divergent's business, the risk that the suspension of trading of the Company's common shares by the TSXV cannot be lifted in a timely manner or at all, and the risk that the Company cannot remedy the outstanding interest payments under the terms of its debenture indenture in a timely manner or at all. 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 Company's disclosure documents on the SEDAR website at www.sedar.com. Forward-looking statements are based on estimates and opinions of management of the Company at the time the information is presented, including expectations provided to Divergent by its customers. The Company 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 Company undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.

This press release contains financial outlook information ("FOFI") about prospective revenue reductions, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date hereof and was provided for the purpose of providing an update regarding an anticipated material reduction in near-term revenue. Divergent disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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.

(Not for dissemination in the United States of America)