



**PRESS RELEASE**

**DIVERGENT Energy Services Announces Debt Conversion and Extension**

**Symbol (DVG: TSX-V)**

CALGARY, ALBERTA – January 20, 2021. **DIVERGENT Energy Services Corp. ("Divergent", the "Company", or "DVG")** is pleased to provide the following update on its financing position.

The Company's Common Shares commenced trading on the TSX Venture Exchange at the open of the market on January 19, 2021. Following the 10 for 1 share consolidation, the total number of issued and outstanding Common Shares is 18,629,912.

On January 20, the Company issued 14,375,000 (post-consolidation) Common Shares at a price of CAD \$0.30 per share on conversion of CAD \$4,312,500 or 75% of its secured debentures (the "**Debt Conversion**"). Following the issue of these Common Shares, the issued and outstanding shares available for trading is 33,004,912. Of the Common Shares issued as part of the Debt Conversion, approximately 3,442,500 Common Shares will be issued to Directors and/or Officers of the Company. The Common Shares issued pursuant to the Debt Conversion are subject to a hold period of four months and one day in accordance with applicable securities legislation and the TSXV requirements.

The Company has also executed the 5th supplemental indenture agreement extending the maturity date of CAD \$1,437,500 of the debentures from December 31, 2021 to December 31, 2025. As consideration for the extending the maturity date of the debentures, the Company issued two (2) warrants, each having an exercise price of CAD \$0.30 (post-consolidation) and a term of two (2) years, for every dollar value of the principal amount of the debentures being extended resulting in the issue of 2,875,000 new warrants. The issue of the warrants remains subject to the approval of the TSX Venture Exchange.

Cameron Barton, Executive Chairman, commented: "The Company has significantly improved its current financial position by successfully restructuring CAD \$5,750,000 of secured debt through a combination of equity issue and extension of the maturity date of remaining debentures. In 2021, interest obligations on secured debentures have been reduced by 75% and there are no principal repayments required until 2025."

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**For Further Information:**

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**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.

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#### **FORWARD LOOKING STATEMENTS**

*This press release contains forward-looking statements, including, without limitation, statements pertaining to the date of anticipated trading following the Consolidation. 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 Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). 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.*

*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.*

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