



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Q1 Interim Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – May 24, 2016. **DIVERGENT Energy Services Corp. ("Divergent" or the "Corporation")** has released its financial results for the three-months ended March 31, 2016 and provides the following highlights.

Q1 2016 FINANCIAL AND OPERATING HIGHLIGHTS

Divergent's submersible pump business in Gillette, WY set record sales of USD\$2.1million for that division, beating the previous record quarter of USD\$1.9MM set in Q3 2010. The Gillette business also increased gross profit to USD\$441k in Q1 2016 as compared to USD\$411k in Q1 2015 and USD\$321k in Q4 2015.

Select Financial Information for the three-month period ending March 31, 2016 can be summarized as follows:

RESULTS OF OPERATIONS

Selected Consolidated Financial Information (Unaudited)

(in 000's of USD \$ unless otherwise stated)

For the three months ended March 31,	2016	2015
Revenue	\$2,119	\$1,367
Cost of sales	(1,678)	(797)
Gross Profit	441	570
Selling and administrative expense	(768)	(825)
Product development	(178)	(204)
Provision for bad debts	(768)	(1,602)
Settlement of contingent consideration	-	(238)
Stock based compensation	(58)	(122)
Net finance expense	(841)	(242)
	(2,613)	(3,233)
Loss before income taxes	(2,172)	(2,663)
Income tax recovery (expense)	(29)	276
Net loss for the period	(2,201)	(2,387)
Net loss per share – basic	(\$0.02)	(\$0.03)

Selected Consolidated Financial Information (Unaudited)

(in 000's of USD \$ unless otherwise stated)

As at March 31,	2016	2015
Assets		
Current assets	\$4,130	\$7,369
Long-term assets	767	819
	4,897	8,188
Liabilities		
Current liabilities	3,909	7,182
Long-term liabilities	4,175	111
	8,084	7,293
Working capital ratio	1.07	1.03
Debt (long-term and debentures) to share capital ratio	27%	30%

The Corporation's complete set of March 31, 2016 financial statements and corresponding management's discussion and analysis have been filed on the SEDAR website at www.sedar.com and are also available on the Corporation's website at www.divergentenergyservices.com.

Further information can be accessed at www.divergentenergyservices.com.

OUTLOOK

The Corporation's success in the submersible pump business continues and set an all time quarterly revenue record for the Gillette, WY operation. Our business is focused on production optimization and reducing operating expenses in mature fields (existing wells), and is therefore not directly affected by fluctuations in drilling activity. For 2016, we anticipate continued growth from our Gillette, WY operation and the commercialization of the Corporation's Linear Electric Submersible Pump (the "Linear Pump").

The most recent shipment of Linear Pumps arrived on May 12, 2016 and one of the Pumps was successfully installed on May 17, 2016 and is currently operating in a client well in SE Saskatchewan. This shipment of Linear Pumps represents many years of engineering and testing, and is expected to be the final commercial version of the Pump. Additional installations are expected to follow with other interested clients.

The Corporation's cost controls and streamlining of operations, highlighted by the January shutdown of an underperforming division (Karlinton), reduced costs by USD \$100,000 during the first quarter. The Corporation expects to realize continued savings in 2016 of USD \$250,000 as part of ongoing initiatives.

The outlook for 2016 in each operating division is as follows:

Pump Sales and Services

- New revenues from the commercialization of the Linear Pump, both in Canada and the United States.
- Increased revenue in the Powder River Basin in Wyoming. We are currently the largest provider of ESP products and services for gas producers in the region, and we are aggressively leveraging that reputation to enter the larger and more lucrative oil well ESP market. Our success and growth has attracted skilled and motivated people that increase the depth of our service offering.

Pipe Sales and Installation

- The Corporation is not pursuing any future work from this segment.

Project Management and Financing

- The Corporation is not pursuing any future work from this segment.
- We continue to pursue the collection of outstanding receivables that amount to USD \$1.6 million.

The Corporation's long-term strategy is to focus on emerging opportunities within the Artificial Lift segment of the energy industry, a segment that is estimated to grow from a market of \$11.2B in 2014 to \$17.7B in 2019. Currently the most active geographic market is North America, which accounted for 45.55% of total global artificial lift sales. The commercialization of the Linear Pump will provide oil companies with the opportunity to reduce operating expenses and capital costs, while providing Divergent with differentiation within a competitive and growing market. We will also continue to grow our core submersible pump business in Gillette, which will position Divergent for expanded geographical presence throughout the United States and Canada.

ABOUT THE PUMP

The electromagnet motor duplicates rod pump movement without rod string or surface lifting equipment. All moving parts are contained within the submersible pump housing, eliminating rod and tubing wear, making the Pump ideally suited for landing in deviated or horizontal oil wells and as an alternative to conventional pump jack installations.

ABOUT DIVERGENT ENERGY SERVICES CORP.

Headquartered in Calgary, Alberta, DIVERGENT Energy Services Corp. provides an array of Artificial Lift products and services that are used in the oil and gas industry. Products include Electromagnetic Pumps, Electric Submersible Pumps, and Electric Submersible Progressing Cavity Pumps.

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FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements, including, without limitation, statements pertaining to the installation of additional hardware and the starting of the Pump. 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. 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.

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