



PRESS RELEASE

## **DIVERGENT Energy Services Corp. Announces Update on Linear Pump**

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

CALGARY, ALBERTA – July 20, 2016. **DIVERGENT Energy Services Corp. ("Divergent" or the "Corporation")** today provides an update on the status of its Linear Electromagnetic Submersible Pump (the "Pump").

### **Linear Pump Update**

As outlined in the June 24, 2016 press release, the Corporation has been waiting to remove the Pump from a well following several procedures undertaken to ascertain the reason for the well not producing fluid when the Pump appeared to be functioning normally. The Pump has now been removed from the well and it has been determined that the pump and motor had decoupled, however Divergent's unique electromagnetic motor itself had continued to perform as expected.

To address this situation, a number of specific improvements have been identified for the pump shaft that will increase its strength, including higher strength steel and use of a different type of thread to connect to the motor. These improvements are under way and will be implemented for the next installation, expected before the end of August. Since the motor was not linked to the cause of the decoupling, no design changes are required to the motor itself.

Further updates will be provided as events unfold.

### **US Operations Update**

Divergent's US operations in Gillette, Wyoming had record levels of activity in June, positioning the Corporation well to deliver strong second quarter and full year 2016 performance. In addition, the Corporation confirms that the previously announced sale of its Gillette facility has successfully closed, generating net proceeds to Divergent of approximately USD\$400,000, which will be utilized to meet ongoing working capital requirements. Earlier in July, the Corporation completed the move and transition to its new, larger facility which is anticipated to enable Divergent to expand operations.

### **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, including its revolutionary Linear Electromagnetic Submersible Pump. Divergent's Pump is approaching commercialization and is targeted to replace traditional oil pumpjacks. Other Divergent products currently in use by its oil and gas industry customers include Electric Submersible Pumps and Electric Submersible Progressing Cavity Pumps.

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

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