



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Q2 Interim Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – August 24, 2016. **DIVERGENT Energy Services Corp. ("Divergent" or the "Corporation")** today released its financial results for the three and six months ended June 30, 2016 and is pleased to provide the following highlights.

Q2 2016 FINANCIAL AND OPERATING HIGHLIGHTS

Divergent’s Artificial Lift Systems (“ALS”) division increased Q2 sales year-over-year by 141% to USD\$2.6 million, beating the previous record quarter of USD\$2.1 million set in Q1 2016. The Corporation also increased gross profit for Q2 by 104% over the same period in 2015.

Select Financial Information for the three and six month periods ending June 30, 2016 is summarized as follows:

Statement of Loss (summarized)

	Three months ended June 30,		Six months ended June 30,	
In United States Dollars, (000's)	2016	2015	2016	2015
Revenue	\$2,640	\$1,240	\$4,759	\$2,607
Cost of sales	2,022	816	3,700	1,613
Gross profit	618	424	1,059	994
Selling, general and administrative expenses	990	1,216	2,786	4,207
Net finance expense	143	301	984	543
	1,133	1,517	3,746	4,750
Loss before income taxes	(515)	(1,093)	(2,687)	(3,756)
Income taxes	(30)	(68)	(59)	208
Net loss	(545)	(1,161)	(2,746)	(3,548)
Net loss per share – Basic	(0.01)	(0.01)	(0.03)	(0.04)

Statement of Financial Position (summarized)

In United States Dollars, (000's)	June 30, 2016	December 31, 2015
ASSETS		
Current assets	\$5,436	\$5,157
Long-term assets	278	750
Total assets	\$5,714	\$5,907
LIABILITIES		
Current liabilities	5,090	3,543
Long-term debt	4,176	3,894
Total liabilities	9,266	7,437
Shareholders' deficit	(3,552)	(1,530)
Liabilities and shareholders' deficit	5,714	5,907
Working capital ratio	1.07	1.46
Debt (long-term and debentures) to equity ratio	26%	24%

OUTLOOK

The ALS division achieved another milestone with its first Electric Submersible Pump (“ESP”) deployment in an oil well in Colorado, marking both our first sale outside of Wyoming and our first sale into the oil side of the ESP business. Our business has historically been focused on dewatering the coal bed methane (“CBM”) gas wells in the Powder River Basin of Wyoming, a region that has experienced a significant increase in activity due to the increased use of natural gas for power generation. Demand for the Corporation’s ESP products and services is expected to remain strong for the remainder of 2016 and into 2017, and exposure to the oil markets will bring increased diversity to our client base.

The Linear Pump continues to make significant progress towards commercialization. The two deployments in 2016 highlighted the reliability of the electromagnetic motor and the surface control systems. The deployments also revealed the need to increase the strength and durability of the pump shaft to eliminate the decoupling that occurred on both deployments in 2016. Those changes have been identified, a new pump is being fabricated, and the next installation is anticipated to occur within the third

quarter. Other clients continue to express interest and the Corporation expects to have additional installations based on the successful start-up of the new pump design.

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

Artificial Lift Systems

- The expectation for new revenues from the commercialization of the Linear Pump, both in Canada and the United States.
- Strong activity and increasing revenue from ESP product sales in Wyoming. We are currently the largest provider of ESP products and services for CBM gas producers in the region.
- Anticipated new revenues from the oil well ESP market which is expected to significantly increase revenue on a per job basis due to the higher horsepower requirements for those pumps.
- Continued success and growth which has already enabled us to attract highly skilled and motivated people who increase the depth of our service offering and have allowed us to expand our products into Colorado.

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 \$0.841 million.

The Corporation's long-term strategy is to become a premiere supplier of submersible Artificial Lift products and services to the energy industry, a segment that is expected to see significant growth globally. The commercialization of our Linear Pump will provide oil companies with the opportunity to reduce production costs, lower operating expenses, and minimize environmental footprint, while providing Divergent with differentiation within a competitive and growing market.

ABOUT THE LINEAR PUMP

The electromagnet motor creates the reciprocating motion downhole whereas conventional pump jacks create this motion at surface and inefficiently transfer the motion to the downhole pump via the sucker rod string. By creating motion at the bottom of the well, the mechanical efficiency is increased which is anticipated to reduce electricity draw versus conventional rod pumps. The elimination of surface lifting equipment and sucker rods will reduce the environmental impact during production and directly reduce the operating cost in deviated and horizontal wells. The electromagnetic motor is coupled directly to a downhole, reciprocating positive-displacement pump, and is landed on the end of the production tubing with industry standard power cable banded to the tubing. The motor creates equal thrust in both stroke directions, and incorporates the use of a dual-action pump. Using an industry standard electric cable, the motor is powered and controlled by a variable frequency drive at surface.

The Corporation's complete set of June 30, 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.

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.

For Further Information: Ken Berg, President, Chief Executive Officer, Director; or Scott Hamilton, Chief Financial Officer.

DIVERGENT Energy Services Corp., 1170, 800 – 6th Ave SW, Calgary, AB T2P 3G3, (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 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.

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)