



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Q3 Interim Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – November 22, 2016. **DIVERGENT Energy Services Corp. (“Divergent” or the “Corporation”)** today released its financial results for the three and nine months ended September 30, 2016 and is pleased to provide the following highlights.

Q3 2016 FINANCIAL AND OPERATING HIGHLIGHTS

Divergent’s US Artificial Lift Systems (“ALS”) division increased Q3 sales year-over-year by 233% to USD \$3.9 million, beating the previous record quarter of USD \$2.6 million set in Q2 2016 and marking the third consecutive quarter of record revenues. The Corporation also increased gross profit for Q3 by 108% over the same period in 2015.

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

Statement of Loss (summarized)

	Three months ended September 30,		Nine months ended September 30,	
In United States Dollars, (000's)	2016	2015	2016	2015
Revenue	\$3,969	\$1,192	\$8,728	\$3,799
Cost of sales	3,301	871	7,001	2,484
Gross profit	668	321	1,727	1,315
Selling, general and administrative expenses	916	812	2,435	2,391
Product development	25	-	246	532
Allowance for trade receivables and advances, and long-term receivables	-	74	768	1,676
Settlement of contingent consideration	-	-	-	238
(Gain) loss on disposal of assets	(97)	-	(26)	5
Stock based compensation	58	124	240	375
Net finance expense (income)	(100)	(390)	884	153
	802	620	4,547	5,370

Loss before income taxes	(134)	(299)	(2,820)	(4,055)
Income taxes	(30)	(29)	(87)	375
Net loss	(164)	(882)	(2,907)	(4,430)
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Net loss per share – Basic	(0.00)	(0.01)	(0.03)	(0.05)

Statement of Financial Position (summarized)

In United States Dollars, (000's)	September 30, 2016	December 31, 2015
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ASSETS		
Current assets	\$4,867	\$5,157
Long-term assets	353	750
Total assets	\$5,220	\$5,907
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LIABILITIES		
Current liabilities	4,845	3,543
Long-term debt	4,179	3,894
Total liabilities	9,024	7,437
Shareholders' deficit	(3,804)	(1,530)
Liabilities and shareholders' deficit	5,220	5,907
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Working capital ratio	1.01	1.46
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Debt (long-term and debentures) to equity ratio	26%	25%

OUTLOOK

Divergent expects continued strong demand for the products and services of its ALS division, and was pleased to report that Electric Submersible Pumps ("ESP") sales set records on a monthly (August 2016) and a quarterly basis (Q3 2016). The ALS business has historically been focused on servicing coal bed methane ("CBM") gas wells in the Powder River Basin of Wyoming, a region that continues to see strong demand for ESP's due to the increased use of natural gas for power generation. The Company's first oil ESP that was installed in Colorado in June 2016 has continued to provide reliable run time, and management expects that further oil ESP sales will come from both Colorado and Wyoming in the near term. Longer term, the oil ESP product line is expected to provide strong growth for Divergent with opportunity to capture additional market share across North America. Industry market research on the North American market for ESP's anticipates the potential could exceed USD\$2.5 billion in 2016 and continue to grow at an annualized rate of 9% (*source: Transparency Market Research*).

Divergent continues to make significant progress towards commercialization of its unique Linear Electric Submersible Pump (the "Linear Pump"). The third deployment of the Linear Pump, installed on November 14, 2016, incorporated changes to the pump shaft design based on the previous two deployments in 2016. The Corporation has other potential clients actively searching for candidate oil wells in their inventory in which the Linear Pump could be installed.

Artificial Lift Systems

- New revenue from the commercialization of the Linear Pump, both in Canada and the United States is anticipated over the next 6 to 12 months.
- Strong activity and increasing revenue are expected from ESP product sales in Wyoming. Divergent continues to be the largest provider of ESP products and services for CBM gas producers in the region.
- Increased activity from the oil well ESP market, which is expected to drive future growth within the Corporation's conventional product line.
- Continued success and growth in the ALS division has led Divergent to attract additional highly skilled and motivated people to the organization. This has supported an increased depth of service offerings and the ability to expand product sales into Colorado.

Project Management and Financing

- The Corporation is not pursuing any future work from this Mexico-focused segment, and continues to actively pursue the collection of an outstanding receivable totaling USD \$804,000.

Divergent's long-term strategy is to be a leading supplier of submersible pumping products that reduce costs, energy consumption, and carbon footprint. The commercialization of its 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 September 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.

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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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