



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Year End Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – March 24, 2017. **DIVERGENT Energy Services Corp. ("Divergent" or the "Corporation")** has released its financial results for the year ended December 31, 2016 and provides the following highlights.

2016 FINANCIAL AND OPERATING HIGHLIGHTS

Annual revenues from the US Submersible Pump division increased 111% to USD \$11.5 MM in 2016 versus \$5.4 in 2015. The US division also increased gross profit to USD \$2.0 MM in 2016 as compared to \$1.3 MM in 2015, an increase of 46%.

Select Financial Information for the three and twelve-month periods ending December 31, 2016 can be summarized as follows:

RESULTS OF OPERATIONS

Selected Financial Information (Audited)

<i>(in 000's of USD \$ unless otherwise stated)</i>	Three Months Ended Dec 31		Year Ended Dec 31	
	2016	2015	2016	2015
Revenue	\$2,769	\$1,969	\$11,524	\$5,458
Cost of sales	(2,492)	(1,645)	(9,531)	(4,096)
Gross Profit	277	324	1,993	1,362
Selling, administrative and other expenses	(1,122)	(1,706)	(3,783)	(4,973)
Net finance income (expense)	(202)	687	(1,078)	816
	(1,324)	(1,019)	(4,861)	(4,157)
Loss from continuing operations	(1,047)	(695)	(2,868)	(2,795)
Loss from discontinued operations	(603)	(330)	(1,690)	(2,660)
Net loss for the period	(1,650)	(1,025)	(4,558)	(5,455)
Net loss per share – basic	(\$0.02)	(\$0.01)	(\$0.05)	(\$0.06)

As at December 31	2016	2015
Assets		
Current assets	\$3,514	\$5,157
Long-term assets	386	750
	\$3,900	\$5,907
Liabilities		
Current liabilities	\$8,889	\$3,543
Long-term liabilities	4	3,894
	8,893	7,437
Shareholders' deficiency	(4,993)	(1,530)
	\$3,900	\$5,907
Working capital ratio	0.40	1.46

OUTLOOK

Improved oil prices have led to increased activity in the North American oil industry and related industry services. Divergent is well positioned to capitalize on this increasing activity, and we expect continued growth in Electric Submersible Pump (ESP) sales, with quarterly results continuing to improve year-over-year. Throughout 2016 we experienced increases in costs and wages that we were unable to pass on to our clients due to fixed annual contracts, leading to a decline in margins in late 2016. As of January 2017, we have successfully renegotiated contracts across our client base that have returned margins to a level that can promote growth. In response to the increase in activity and improved pricing, management has begun planning for an expansion facility in Colorado to meet the rising demand for services. Future opportunities may include Kansas, Oklahoma, Texas, North Dakota, and Utah in the United States as well as Manitoba, Saskatchewan, Alberta and British Columbia in Canada.

The Linear Pump continues to be a focal point of the long-term vision of the Corporation. The 2016 deployments incorporated changes to the pump design, and identified an issue with the power cable that delivers electricity to the pump. The issue has been identified and a corrective measure will be implemented with the next installation, planned before the end of March 2017. We are encouraged by the continued interest in the Linear Pump by industry participants, and we believe results of the current installation will help to create momentum towards commercialization.

The outlook for 2017 is as follows:

- Continue moving towards commercializing the Linear Pump, both in Canada and the United States, with efforts focused on attracting new potential client partners.
- Potentially growing activity and revenue from coal bed methane (“CBM”) ESP product sales in Wyoming. Divergent continues to be the largest provider of ESP products and services for CBM gas producers in the region.
- Grow our presence in the oil ESP market which would represent a new revenue source and is anticipated to provide ongoing expansion opportunities across North America.
- Continue to attract highly skilled and motivated people who increase the depth of our service offering and enable us to grow our business, including the expansion of our service into Colorado.

Divergent’s long-term strategy is to be a premier supplier of submersible pumping products that increase production, reduce operating costs and reduce carbon footprint. The commercialization of our Linear Pump represents a build on our existing ESP business, and will provide oil companies with the opportunity to capitalize on the Linear Pumps many benefits, while differentiating Divergent within a competitive and growing market.

ABOUT THE PUMP

The permanent magnet motor technology 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.

The Corporation’s complete set of December 31, 2016 consolidated 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.

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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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