



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Year End Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – March 27, 2018. **DIVERGENT Energy Services Corp. ("Divergent" or the "Corporation")** has released its financial results for the year ended December 31, 2017 and provides the following highlights.

2017 FINANCIAL AND OPERATING HIGHLIGHTS

The fourth quarter of 2017 delivered improved financial performance resulting from several initiatives to improve operational performance and efficiency. The US operation increased gross profit from submersible pump sales by 17% and 94% for the fiscal year 2017 and the fiscal fourth quarter respectively.

"Q4 2017 was a step change for Divergent, with many great initiatives coming to fruition resulting in break- even operating results for the quarter", states Ken Berg, CEO of Divergent. "Creating a sustainable operation is critical to our strategy of having a platform from which to launch new technologies".

Early results from the multi-year contract signed in Q4 have created a win-win opportunity for both the client and Divergent that continue to improve profitability. In addition, general and administrative expenses declined 12% and 45% for the fiscal year 2017 and the fiscal fourth quarter respectively as management continues its mandate to control costs and streamline processes.

Select Financial Information for the three and twelve-month periods ending December 31, 2017 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	
	2017	2016	2017	2016
Revenue	\$2,101	\$2,769	\$8,182	\$11,524
Cost of sales	(1,505)	(2,489)	(5,841)	(9,531)
Gross Profit	596	307	2,341	1,993
General and administrative expenses	(595)	(705)	(2,749)	(3,140)
Stock based compensation	(31)	(15)	(180)	(255)

	(626)	(720)	(2,929)	(3,395)
Results from operating activities	(\$30)	(\$413)	(\$588)	(\$1,402)
Product development	(46)	(225)	(327)	(471)
Net finance expense	895	(194)	(833)	(1,078)
(Loss) gain on disposal of assets	(3)	58	(1)	83
	846	(361)	(1,161)	(1,466)
Income (loss) from continuing operations	816	(774)	(1,749)	(2,868)
Loss from discontinued operations, net of tax	(209)	(1,690)	(380)	(1,690)
Net income (loss)	\$607	(\$2,464)	(\$2,129)	(\$4,558)
Net income (loss) per share – basic	\$0.00	(\$0.02)	(\$0.02)	(\$0.05)

As at December 31	2017	2016
Assets		
Current assets	\$2,797	\$3,514
Long-term assets	435	386
	\$3,232	\$3,900
Liabilities		
Current liabilities	\$4,541	\$8,889
Long-term liabilities	4,580	4
	9,121	8,893
Shareholders' deficiency	(5,889)	(4,993)
	\$3,232	\$3,900
Working capital ratio	0.62	0.40

OUTLOOK

CONTINUING OPERATIONS

The Powder River Basin (“PRB”) in Wyoming is expected to provide a strong base of activity from the methane-based market. We anticipate that existing contracts are of sufficient value to support the entire Corporation and that the activity levels will remain stable throughout 2018.

Following on the heels of the step change in Q4 2017, we intend to aggressively pursue expansion opportunities from the oil-based market with clients that we have established relationships with. Several oil producing basins across Wyoming can be serviced from our existing Gillette WY facility. In addition to Wyoming, initial servicing of the oil basins in northern Colorado (within which a prolific shale play resides) can be done from Gillette until a more central facility is required. The northern states of the US are experiencing a resurgence in drilling activity that has already translated into higher demand for artificial lift products. The US remains the Corporation's key focus region for growth over Canada due to the US's favorable economic environment and recent predictions that the US will account for 80% of the increased demand for oil over the next 5 years.

PRODUCT DEVELOPMENT

The Technical Advisory Committee was established by the Board of Directors of Divergent to provide expertise and advice on the Corporation's existing artificial lift technologies and evaluate new artificial lift technologies identified as potential interest to Divergent. Since its inception, the Committee has provided valuable input that has been incorporated into the upcoming Linear Pump test in Canada. The timeline to get back into a well and continue testing has been lengthened by weak oil pricing and reduced operating budgets within the industry. Although oil prices have risen globally, prices for Canadian crude remain weak and it is expected that Canadian producers may continue to demonstrate risk aversion to testing new technology until they return to profitability. Divergent's focus for expansion and ongoing testing has included a more intense focus on the United States due to its oil industry demonstrating more resilience than Canada's.

The agreement that provides Divergent with the exclusive rights to deploy the technology continues to be reviewed. Divergent is seeking an ownership interest in the intellectual property of the Linear Pump rather than act solely as the exclusive distributor.

We are currently discussing installations with a number of clients, including our partner from previous tests, and anticipate at least one installation in the second quarter of 2018. The next round of testing will be focused on delivering results of extending operating time and proving out the cost reduction benefits of the pump:

- Reduced power consumption using a high efficiency electromagnetic motor vs surface lifting equipment (pump jack). Data from the 2016 and 2017 tests have been analyzed and calculations indicate potential savings of up to 33%.
- Operating cost reductions through reduced service rig interventions to repair worn and broken sucker rods.
- Capital cost reductions through reduced tubing wear caused by the reciprocating motion of the sucker rods.
- Increased production rates when installed lower in the well - a challenging installation for conventional rod pumps. The linear pump can be installed vertically, slant, or horizontal which

allows for the pump to be placed lower in the well. The deeper a pump is installed, the lower the fluid level can be drawn down resulting in increased oil production.

- Reduced environmental impact with the elimination of surface lifting equipment.
- Lower carbon footprint with the reduction of steel used.

Pricing on the Linear Pump system is competitive to most rod pumping applications and the Corporation has numerous incentive plans for early adopters that don't place the full burden of the test on the client.

The Corporation's vision is to be a premier supplier of submersible pumping products that increase production while reducing costs and carbon footprint. The commercialization of our Linear Pump is complementary to our existing electric submersible pump ("ESP") business, and will provide oil and gas companies the opportunity to capitalize on the Linear Pump's many benefits while differentiating Divergent within a competitive and growing market.

ABOUT THE LINEAR 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, 2017 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 anticipated future operational activity levels, expansion opportunities and upcoming Linear Pump tests. 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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