



PRESS RELEASE

DIVERGENT Energy Services Announces Release of Q1 Interim Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – May 29, 2018. **DIVERGENT Energy Services Corp.** ("Divergent" or the "Corporation") has released its financial results for the three month period ended March 31, 2018 and provides the following highlights.

FINANCIAL AND OPERATING HIGHLIGHTS

First quarter EBITDA of \$177,000 confirms the operational step changes made in Q4 2017 are now providing positive cash flow that can sustain the organization and provide a solid platform for growth.

Select Financial Information for the three month periods ending March 31, 2018 and 2017 can be summarized as follows:

RESULTS OF OPERATIONS

Select Financial Information (Unaudited)

(in 000's of USD \$ unless otherwise stated)

Continuing Operations

For the three months ended March 31,	2018	2017
Revenue	\$1,930	\$2,163
Cost of sales	(1,260)	(1,441)
Gross Profit	670	722
Selling and administrative expense	(674)	(869)
Stock based compensation	(29)	(41)
	(703)	(910)
Results from operating activities	(33)	(188)
Product development	(4)	(205)
Net finance income (expense)	57	(189)
	53	(394)
Income (loss) from continuing operations before income taxes	20	(582)
Deferred tax recovery	53	-
Income (loss) from continuing operations	\$73	(\$582)
Net loss per share – basic	(\$0.00)	(\$0.01)

Select Financial Information (Unaudited) - (Continued)

(in 000's of USD \$ unless otherwise stated)

	March 31, 2018	December 31, 2017
Assets		
Current assets	\$2,607	\$2,797
Long-term assets	428	435
	\$3,035	\$3,232
Liabilities		
Current liabilities	\$4,652	\$4,541
Long-term liabilities	4,280	4,580
	8,932	9,121
Shareholders' deficiency	(5,897)	(5,889)
	\$3,035	\$3,232
Working capital ratio	0.56	0.62

The Corporation's complete set of March 31, 2018 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.

OUTLOOK

Following two consecutive quarters of improved operational and financial performance, we have begun active sales in Colorado as part of our strategy to take advantage of the upswing in demand across Wyoming and northern Colorado. Early stages of servicing clients in these regions can be done from our Gillette facility until an additional 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 due to the US's favorable economic environment and recent predictions that the US will account for 80% of global increased production to meet the increased demand for oil over the next 5 years.

PRODUCT DEVELOPMENT

The timeline to get back into a well and continue testing has extended beyond any timeline anticipated by management. The combination of weak oil pricing, reduced operating budgets, and a growing adversity to risk has kept many potential clients from approving a test despite their acceptance that the technology will save them money in the long run. Although oil prices have risen globally, that is not the case for Canadian crude 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 been focused on the industry partner previously involved with testing and in the United States due to its oil industry demonstrating more resilience than Canada's.

The exclusivity agreement with the overseas supplier of the linear motor has not yet met management's expectations. Prior to signing any extensions to the previous three-year agreement, Divergent believes an ownership position is in the best interest of all stakeholders due to the amount of risk and cost associated with ongoing tests.

We have presented the Linear Pump to a number of clients, with very attractive incentives and pay for performance mechanisms, and anticipate at least one installation in 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.

The Corporation's vision is to be a premier supplier of submersible pumping products that increase production while reducing costs and carbon footprint. Divergent's Technical Advisory Committee continues to evaluate emerging artificial lift technologies and make determinations on whether Divergent can capture the intellectual property. A number of opportunities currently are under review by the committee. The commercialization of the Linear Pump remains a primary focus as the product is complementary to our existing electric submersible pump 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. The Corporation's Technical Advisory Committee continues to evaluate emerging technologies.

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.

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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