



**DIVERGENT ENERGY SERVICES CORP.
INSIDER TRADING POLICY**

1. Introduction

Divergent Energy Services Corp. (the "**Corporation**") encourages all employees, consultants, officers and directors to become shareholders of the Corporation on a long-term investment basis. These individuals will from time to time become aware of corporate developments or plans or other information that may affect the value of the Corporation's securities before these developments, plans or information are made public. Trading securities of the Corporation while in possession of such information before it is generally disclosed (known as "**Insider Trading**"), or disclosing such information to third parties before it is generally disclosed (known as "**Tipping**"), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in a lack of confidence in the market for the Corporation's securities, harming both the Corporation and its shareholders. Accordingly, the Corporation has established this Policy to assist its employees, consultants, officers and directors in complying with the prohibitions against Insider Trading and Tipping.

The procedures and restrictions set forth in this Policy are only a general framework to assist Company Personnel, as defined below, in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. Company Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

The Corporation's board of directors (the "**Board**") will designate one or more individuals from time to time as Insider Trading Policy Administrators for the purpose of administering this Policy as well as monitoring of trading activity of all the Corporation's insiders. At the date hereof, the designated Insider Trading Policy Administrators are the CEO and CFO. This Policy has been reviewed and approved by the Corporation's Board and may be reviewed and updated periodically by the Board. Any amendments to this Policy shall be subject to approval by the Board.

2. Application

Persons that are Subject to this Policy

The following persons are required to observe and comply with this Policy:

- (a) all directors, officers, employees and agents of the Corporation and its associated companies or subsidiaries who have access to confidential information of the Corporation. Note that any reference to the Corporation refers not only to Divergent Energy Services Corp. but also to its subsidiaries and associated companies;
- (b) any other person retained by or engaged in business of professional activity with or on behalf of the Corporation or any of its subsidiaries (such as a consultant, independent contractor or adviser);
- (c) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections 2(a) and (b) above; and
- (d) partnerships, trusts, corporations, R.R.S.P.'s and similar entities over which any of the above-mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as "**Company Personnel**". Sections 2(c) and 2(d) should be carefully reviewed by Company Personnel; those paragraphs have the effect of making various family members or holding companies or trusts of the persons referred to in Sections 2(a) and 2(b) subject to the Policy.

Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of the Corporation include (i) any sale or purchase of securities of the Corporation, including the exercise of stock options granted under the Corporation's stock option plan, and (ii) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable laws or regulations relating to derivatives or equity monetization transactions.

3. Inside Information

"**Inside Information**" means:

- a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation (which includes any decision to implement such a change by the Board or by senior management who believe that confirmation of the decision by the Board is probable);
- a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation; or
- any information which is not generally available to the public that a reasonable investor would be likely to consider important in deciding whether to buy, hold or sell securities of the Corporation,

in each case, which has not been generally disclosed. Information is considered undisclosed if it has not been disseminated in a manner making it available to investors generally by way of a press release by appropriate wire service. Examples of information that may constitute Inside Information are set out in Schedule A attached hereto. **It is the responsibility of any Company Personnel contemplating a trade in securities of the Corporation to determine prior to such trade whether they are aware of any information that constitutes Inside Information. If in doubt, the individual should consult with an Insider Trading Policy Administrator.**

4. Prohibition Against Trading on Inside Information

Company Personnel must not purchase, sell or otherwise trade securities of the Corporation with the knowledge of Inside Information until:

- (a) two full trading days following the day on which the information is announced or disclosed to the public, whether by way of press release or a filing made with the securities regulatory authorities; or
- (b) the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either Company Personnel are so advised by the Insider Trading Policy Administrators or such abandonment has been generally disclosed).

In addition, Company Personnel must not make any trades in securities of the Corporation during the periods described in Section 6 of this Policy.

5. **Prohibition Against Speculating, Short-Selling, Puts and Calls**

Certain types of trades in securities of the Corporation by Company Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Corporation. Company Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- (a) speculating in securities of the Corporation, which may include buying with the intention of quickly reselling such securities, or selling securities of the Corporation with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Corporation's stock option plan or any other benefit plan or arrangement);
- (b) buying the Corporation's securities on margin;
- (c) short selling a security of the Corporation or any other arrangement that results in a gain only if the value of the Corporation's securities declines in the future;
- (d) selling a "call option" giving the holder an option to purchase securities of the Corporation; and
- (e) buying a "put option" giving the holder an option to sell securities of the Corporation.

6. **Restrictions on Trading of Corporation Securities**

Scheduled Black-out Periods

No Company Personnel shall trade in securities of the Corporation during the period commencing thirty (30) days prior to a Board meeting scheduled to review and approve the Corporation's financial results for each fiscal quarter and year-end, and ending two full trading days following the date on which the Corporation's interim or annual financial statements have been filed with the securities regulatory authorities (otherwise known as a "**Black-Out Period**").

Unscheduled Black-out Periods

Additional Black-Out Periods may be prescribed from time to time by the Insider Trading Policy Administrators at any time at which it is determined there may be undisclosed Inside Information concerning the Corporation that makes it inappropriate for Company Personnel to be trading. In such circumstances, the Insider Trading Policy Administrators will issue a notice instructing these individuals not to trade in securities of the Corporation until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

7. **Prohibition Against Tipping**

Company Personnel are prohibited from communicating Inside Information to any other person, unless: (i) disclosure is in the necessary course of the Corporation's business and the disclosure is made pursuant to the proper performance by such Company Personnel of their duties on behalf of the Corporation; (ii) the information is determined by the Insider Trading Policy Administrators not to be material information or to have been generally disclosed; (iii) disclosure is compelled by judicial process; or (iv) disclosure is expressly authorized by the Insider Trading Policy Administrators.

Subject to the above, Inside Information is to be kept strictly confidential by all Company Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. Company Personnel with

knowledge of Inside Information shall not encourage any other person or company to trade in the securities of the Corporation, regardless of whether the Inside Information is specifically communicated to such person or company.

If any Company Personnel has any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information is in the necessary course of business, the individual is required to contact an Insider Trading Policy Administrator.

8. Securities of Other Companies

In the course of the Corporation's business, Company Personnel may obtain information about another publicly traded company that has not been generally disclosed. Securities laws generally prohibit such Company Personnel from trading in securities of that other company while in possession of such information or communicating such information to another person. The restrictions set out in this Policy apply to all Company Personnel with respect to both trading in the securities of another company while in possession of such information, and communicating such information.

9. Reporting Requirements

The "Reporting Insiders" (as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*) of the Corporation are required to file reports with Canadian provincial securities regulators, pursuant to the electronic filing system known as SEDl, of any direct or indirect beneficial ownership of, or control or direction over, securities of the Corporation and of any change in such ownership, control or direction. In addition, Reporting Insiders must also include in their reports any monetization, non-recourse loan or similar arrangement, trade or transaction that changes the Reporting Insider's economic exposure to or interest in securities of the Corporation and which may not necessarily involve a sale, whether or not required under applicable law.

It is the responsibility of each Reporting Insider (and not the Corporation) to comply with these reporting requirements, and Reporting Insiders subject to this Policy are required to provide the Insider Trading Policy Administrators with a copy of any insider report completed by the Reporting Insider concurrent with or in advance of its filing. The Corporation will assist any Reporting Insider in the preparation and filing of insider reports upon request.

Some officers of the Corporation or its subsidiaries may be eligible to be exempted by applicable securities law from the requirements to file insider reports.

A person that is uncertain as to whether they are a Reporting Insider or whether they may be eligible to be exempted from these requirements should contact an Insider Trading Policy Administrator. Reporting Insiders who are exempted from these requirements remain subject to all of the other provisions of applicable securities law and this Policy.

10. Penalties and Civil Liability

The applicable securities laws that impose Insider Trading and Tipping prohibitions also impose substantial penalties and civil liability for any breach of those prohibitions, namely:

- (a) Criminal fines of up to \$5,000,000 and three times the profit made or loss avoided;
- (b) Prison sentence of up to five years less a day; and
- (c) Civil liability of up to three times the profit made or loss avoided by reason of the contravention.

Where a company is found to have committed an offence, the directors, officers and supervisory Company Personnel of the company may be subject to the same or additional penalties.

11. Enforcement

All Company Personnel will be provided with a copy of this Policy. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from an Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of their employment or appointment with or engagement by the Corporation without notice and may be accountable to the Corporation for any benefit or advantage received as a result of the violation. The violation of this Policy may also violate certain securities laws. If it appears that Company Personnel have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

SCHEDULE A

Common Examples of Inside Information

The following examples are not exhaustive.

- proposed changes in capital structure including stock splits and stock dividends;
- proposed or pending financings;
- material increases or decreases in the amount of outstanding securities or indebtedness;
- proposed changes in corporate structure including amalgamations and reorganizations;
- proposed acquisitions of other companies including take-over bids or mergers;
- material acquisitions or dispositions of assets;
- material changes or developments in products or contracts which would materially affect earnings upwards or downwards;
- material changes in the business of the Corporation;
- changes in senior management or control of the Corporation;
- bankruptcy or receivership;
- changes in the Corporation's auditors;
- changes in the financial condition and results of operations of the Corporation;
- indicated changes in revenues or earnings upwards or downwards of more than recent average size;
- material legal proceedings;
- defaults in material obligations;
- the results of the submission of matters to a vote of securityholders;
- transactions with directors, officers or principal securityholders; and
- the granting of options or payment of other compensation to directors or officers.