

**PRESS RELEASE**

**DIVERGENT Energy Services Announces the Release of Q3 2020 Financial Results**

**Symbol (DVG: TSX-V)**

CALGARY, ALBERTA – November 13, 2020. **DIVERGENT Energy Services Corp.** (“**Divergent**”, the “**Company**”, or “**DVG**”) announces the release of its interim financial results for the three and nine months ended September 30, 2020. All amounts are in thousands (000’s) of United States Dollars, unless otherwise noted.

**HIGHLIGHTS FOR THE THIRD QUARTER**

- Revenues of \$743 compared to revenues of \$2,268 during Q3 2019.
- Net loss of \$86 compared to net income of \$14 during Q3 2019.
- Improved working capital through the conversion of \$2,000 of current payables into a subordinated, secured promissory note with a four-year term.
- Issued 13,545,000 common shares of the Company during the quarter to settle interest obligations on debentures for the period July 1, 2020 to September 30, 2020.

**INDUSTRY OUTLOOK**

Natural gas markets have begun to stabilize as we near the end of 2020. As confidence begins to return to the energy industry, demand for the Company’s pumps and related services is expected to increase from the low levels experienced since the start of the second quarter of 2020. The Company is positioning itself to emerge from a very challenging 2020 and take full advantage of potential opportunities to expand our client base in 2021 with a focus on oil producers and an emerging produced water reclamation market.

**FINANCIAL AND OPERATING HIGHLIGHTS – THREE MONTHS ENDED SEPTEMBER 30, 2020**

Select Financial Information for the three month period ended September 30, 2020 have been summarized below. Tables contain third quarter results for 2020 and 2019. Refer to the Company’s unaudited condensed consolidated financial statements and related management’s discussion and analysis (“MD&A”) for a full description.

(All figures in ‘000’s of US dollars except number of shares and per share data, unless otherwise stated)

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**Unaudited Interim Condensed Consolidated Statements of Net Loss and Comprehensive Loss**

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<b>Three months ended September 30,</b>	
<b>2020</b>	<b>2019</b>

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Revenue	743	2,268
Cost of sales	(599)	(1,742)
Reversal of provision for slow moving inventory	289	-
Gross profit	433	526
General and administration	(416)	(472)
Depreciation and amortization	45	(59)
Stock based compensation	(1)	(6)
<b>Results from operating activities</b>	<b>61</b>	<b>(11)</b>
Product development expense	-	(6)
Finance expense	(147)	31
<b>Net( loss) income</b>	<b>(86)</b>	<b>14</b>
Other comprehensive income (loss) being foreign exchange gain (loss)	121	(111)
<b>Total comprehensive income (loss) for the period</b>	<b>35</b>	<b>(97)</b>
<b>Income (loss) per share</b>		
Net loss – basic and dilutive (cents)	0.00	(0.00)

## Unaudited Interim Condensed Consolidated Statements of Financial Position

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	17	249
Prepaid expenses, deposits and advances	68	23
Trade receivables	895	1,652
Inventories	619	631
	<b>1,599</b>	<b>2,555</b>
<b>Non-current assets</b>		
Right-of-use assets	271	488
Property and equipment	176	251
<b>Total Assets</b>	<b>2,046</b>	<b>3,294</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		

Accounts payable and accrued liabilities	2,533	4,897
Current portion of lease obligations	162	270
Related party loans	15	92
Government loans	72	-
Promissory note	195	-
Interest payable	53	346
	<b>3,030</b>	<b>5,605</b>
<b>Non-current liabilities</b>		
Lease obligations	103	210
Government loans	181	-
Debentures	4,123	4,134
Promissory note	1,538	-
<b>Total Liabilities</b>	<b>8,975</b>	<b>9,949</b>
<b>SHAREHOLDERS' DEFICIT</b>		
Share capital	18,564	17,927
Contributed surplus	5,799	5,790
Warrants	141	141
Accumulated other comprehensive loss	(1,296)	(1,136)
Accumulated deficit	(30,137)	(29,377)
<b>Total Shareholders' Deficit</b>	<b>(6,929)</b>	<b>(6,655)</b>
<b>Total Liabilities and Shareholders' Deficit</b>	<b>2,046</b>	<b>3,294</b>

The Company's complete set of September 30, 2020 quarter end filings have been filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) and are also available on the Company's website at [www.divergentenergyservices.com](http://www.divergentenergyservices.com).

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**For Further Information:**

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**ABOUT DIVERGENT ENERGY SERVICES CORP.**

Headquartered in Calgary, Alberta, Divergent provides Artificial Lift products and services that are used in the oil and gas industry. Product lines including Electric Submersible Pumps, Electric Submersible Progressing Cavity Pumps, and the future development of an Electromagnetic Pump technology.

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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 of Divergent and of a majority of its customers, and statements pertaining to interest payments on the*

*Company's debentures. . All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties, including: the risk that the anticipated slowdown in sales and service of submersible pumps by Divergent's customers lasts longer than expected or impacts Divergent's revenues more severely than expected, the risk that the COVID-19 pandemic and the low oil and gas price environment cause additional negative effects on Divergent's business, the risk that the suspension of trading of the Company's common shares by the TSXV cannot be lifted in a timely manner or at all, and the risk that the Company cannot remedy the outstanding interest payments under the terms of its debenture indenture in a timely manner or at all. 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 Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Forward-looking statements are based on estimates and opinions of management of the Company at the time the information is presented, including expectations provided to Divergent by its customers. The Company 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 Company undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.*

*This press release contains financial outlook information ("FOFI") about prospective revenue reductions, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date hereof and was provided for the purpose of providing an update regarding an anticipated material reduction in near-term revenue. Divergent disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.*

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