

PRESS RELEASE

DIVERGENT Energy Services Announces the Release of 2020 Year End Results

Symbol (DVG: TSX-V)

CALGARY, ALBERTA – March 19, 2021. **DIVERGENT Energy Services Corp.** (“Divergent”, the “Company”, “our” or “DVG”) announces the release of its financial results for the year ended December 31, 2020.

FINANCIAL AND OPERATING HIGHLIGHTS – YEAR ENDED DECEMBER 31, 2020

Divergent successfully traversed through one of the most challenging years in its history. Support from shareholders, debenture holders, customers and employees allowed the Company to restructure its burdensome financial obligations and improve key operational aspects of the business thereby positioning the Company for growth in 2021. During 2020, a total of \$3.1 million of unsecured current obligations with suppliers was restructured into long-term obligations. In addition, \$3.4 million of the secured debentures were converted to equity of the Company with the remaining \$1.2 million being extended to 2025, both of which were finalized in January 2021. The Company also accessed \$0.4 million of Government emergency loans made available to companies negatively impacted by the COVID-19 pandemic. While revenues decreased 47% from 2019, the Company maintained gross margins of 25% vs 23% in 2019 by implementing cost control and cost reduction measures to adjust to the lower levels of activity. The Company exited 2020 with a significantly improved financial position and an organization positioned to grow when the underlying market conditions improve.

Select Financial Information for the three and twelve-month periods ending December 31, 2020 have been summarized as follows:

RESULTS OF OPERATIONS

Select Financial Information - Tables contain fourth quarter and year-end results for 2020 and 2019. Refer to the Company’s consolidated audited financial statements and related management’s discussion and analysis (“MD&A”) for a full description.

<i>(in 000’s of USD \$ unless otherwise stated)</i>	Three Months Ended		Year Ended	
	Dec 31		Dec 31	
	2020	2019	2020	2019
Revenue	\$1,447	\$2,274	\$4,332	\$8,178
Cost of sales	(946)	(1,889)	(3,247)	(6,313)
Provision for slow moving inventory	840	(1,325)	934	(1,325)
Gross Profit	1,341	(940)	2,019	540

General and administration	(576)	(607)	(2,054)	(2,140)
Depreciation and amortization	(3)	120	(20)	(51)
Stock based compensation	(1)	(6)	(10)	(37)
Results from operating activities	761	(1,433)	(65)	(1,688)
Benefit on low interest government loans	182	-	182	-
Product development credit (expense)	-	326	-	270
Finance (expense) income	(54)	(342)	12	(1,226)
Net income (loss)	\$889	(\$1,449)	\$129	(\$2,644)
Income (loss) per share – basic and dilutive (cents)	\$0.05	(\$0.13)	\$0.01	(\$0.22)

As at December 31	2020	2019
Assets		
Current assets	\$2,376	\$2,555
Long-term assets	801	739
	\$3,177	\$3,294
Liabilities		
Current liabilities (excluding debentures)	\$1,871	\$5,605
Debentures ⁽¹⁾	4,356	-
Total current liabilities	6,227	5,605
Long-term liabilities	2,938	4,344
	9,165	9,949
Shareholders' deficit	(5,988)	(6,655)
Liabilities and shareholders' deficit	\$3,177	\$3,294
Working capital ratio	0.38⁽¹⁾	0.46

(1) The debentures were considered current at December 31, 2020. Subsequent to yearend, 75% of the debentures were converted to equity and the maturity date on 25% were extended to December 31, 2025. Had these transactions occurred in prior to yearend, the working capital ratio at December 31, 2020 would have been **1.27**.

The Company's complete set of 2020 year end filings have been filed on the SEDAR website at www.sedar.com and are also available on the Company's website at www.divergentenergyservices.com.

OUTLOOK

With our restructuring now complete, and with energy prices continuing to show resiliency, our client base has demonstrated an improvement to operating budgets that include the ongoing replacement of ESPs. As a result, we expect revenue from oil producing clients to become an increasing percentage of the Company's revenue. Activity levels continue to improve and with this higher volume of work comes the opportunity for continued reduction of inventory down to efficient levels.

-----End-----

For Further Information:

Ken Berg, President and Chief Executive Officer, kberg@divergentenergyservices.com

Lance Mierendorf, Interim Chief Financial Officer, lmierendorf@divergentenergyservices.com

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.

DIVERGENT Energy Services Corp., 2020, 715 – 5th Ave SW, Calgary, AB T2P 2X6, (403) 543-0060, (403) 543-0069 (fax), www.divergentenergyservices.com

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. 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 FOPI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

(Not for dissemination in the United States of America)