

**PRESS RELEASE**

**DIVERGENT Energy Services Provides Operations Update and Announces Debenture Issuance**

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

CALGARY, ALBERTA – August 4, 2023. **DIVERGENT Energy Services Corp.** ("**Divergent**", the "**Company**", or "**DVG**") announces the following update.

Following two years of strong operational performance the Company has experienced a significant slowdown in demand for its electric submersible pump ("ESP") services in the second quarter of 2023 from its largest customer. This slowdown was primarily due to two of the region's natural gas pipelines being taken offline in April for repairs and maintenance. The reduced pipeline capacity limited the client's production capacity and thereby reduced their need for ESP services. Pipeline capacity has been restored as of August 1, which should lead to activity levels with this client returning to previous levels in the near term.

Offsetting this drop in demand is the activity from oil-producing clients within the Company's operational footprint, which has strengthened in the first half of 2023 including a record sales month in June from this segment of the Company's operations. To address the growing demand from this segment of clients, the Company has committed to the purchase of additional field equipment that will continue to diversify our revenue stream, improve our exposure to oil producing clients and reduce our reliance on a single large natural gas producer.

Given the tight working capital that has resulted from the above noted slowdown in activity, and to address the growth opportunities in the strong oil market, the Company has issued a debenture to a director of the Company in the amount of \$81,000 USD (the "Debenture"), the proceeds of which will be used to purchase the new equipment. The debenture matures December 31, 2026, pays the holder 9% interest per annum, and allows for the director to register security against the equipment.

The issuance of the Debenture may be deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Debenture is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(c) and 5.7(1)(b)) as it was a distribution of securities for cash and neither the fair market value of the debentures distributed to, nor the consideration received from, interested parties exceeded \$2,500,000. The Company's independent board of directors reviewed and approved the issuance of the Debenture.

**For Further Information:**

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**ABOUT DIVERGENT ENERGY SERVICES CORP.**

Headquartered in Calgary, Alberta, Divergent provides Artificial Lift products and services for the water, gas and oil industries through its wholly owned subsidiary Extreme Pump Solutions LLC..

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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 demand from ESP service customers and from oil-producing customers. 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 ESP services lasts longer than expected or impacts Divergent's revenues more severely than expected, and the risk that future lower oil prices may result in lower demand for Divergent's services from oil-producing customers. 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.sedarplus.ca](http://www.sedarplus.ca). 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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