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Energy Recovery Selects Kemper as Design Partner for Second Generation VorTeq™ Missile

SAN LEANDRO, Calif., March 28, 2017 /PRNewswire/ -- [Energy Recovery](#), Inc. (NASDAQ:ERII), the leader in pressure energy technology for industrial fluid flows, today announced a new partnership with Kemper Valve and Fittings Corp., a Caterpillar company (NYSE: CAT), to design and produce the second generation manifold trailer, or missile, for Energy Recovery's VorTeq™ hydraulic pumping system.



The VorTeq system is an application of Energy Recovery's award-winning PX™ Pressure Exchanger™ technology in the hydraulic fracturing industry, and will be used to protect pumps from constant and costly failures by re-routing abrasive proppants (most commonly sand) away from high-pressure pumps.

After a rigorous process, Energy Recovery has selected Kemper as a partner to design and manufacture the second generation missile that will house the Company's third generation VorTeq Pressure Exchangers. The second generation missile will be designed to better insulate the Pressure Exchangers from the system excitation and pulsations that were experienced on the prototype missile, as well as to increase volumetric capacity and endeavor to yield performance levels more emblematic of the commercialization standard defined in the Company's licensing agreement.

Energy Recovery's President and CEO Joel Gay stated, "Our partnership with Kemper underscores an unflinching commitment to commercialize the VorTeq and fully unlock and deliver its value to our shareholders. Kemper rose to the top of a decorated selection of potential design and manufacturing partners on the basis of its portfolio of tried-and-tested surface-level equipment within the oil and gas industry. By working closely with our engineers, we believe Kemper to be uniquely qualified to successfully deliver a second generation manifold capable of mitigating the system excitation challenges and vibrational operating concerns witnessed with our prototype missile throughout the milestone mobilization testing process in 2016. Importantly, the second generation missile is being designed in parallel with our third generation VorTeq cartridge to constitute the second generation VorTeq Hydraulic Pumping System. We will therefore execute milestone testing with this new system, one that contemplates the lexicon of data acquired throughout 2016, the expertise of an industry-leading capital equipment manufacturer and the latest fluid physics technology in the form of a new Pressure Exchanger. This partnership with yet another industry bellwether furthers our confidence in achieving milestone success in 2017."

Tim Hennessey, General Manager of Kemper Valve and Fittings, added, "Kemper Valve and Fittings is pleased to be working with Energy Recovery, Inc. in the engineering, design and fabrication of the next generation VorTeq flow iron. The opportunity to participate in this ground-breaking technology fits with our strategy of differentiating ourselves within the Oil and Gas sector. We believe that our expertise in oil services manufacturing, combined with Energy Recovery's deep knowledge of fluid physics and material science, creates a natural fit for this initiative."

About Energy Recovery

Energy Recovery (NASDAQ:ERII) recycles and converts wasted pressure energy into a usable asset and preserves pumps that are subject to hostile processing environments. With award winning technology, Energy Recovery simplifies complex industrial systems while improving productivity, profitability, and efficiency within the oil & gas, chemical processing, and water industries. Energy Recovery products save clients more than \$1.8 billion (USD) annually. Headquartered in the Bay Area, Energy Recovery has offices in Houston, Ireland, Shanghai, and Dubai. Learn more at www.energyrecovery.com.

About Kemper Valves & Fittings

Kemper Valves & Fittings Corp. (Kemper), a wholly owned subsidiary of Caterpillar, Inc. manufactures a complete line of high and low pressure flow iron to the oil and gas industry. Headquartered near Chicago, IL, Kemper has served the Oil & Gas industry since 1965. Kemper has nine facilities located across the United States and Canada.

Forward-Looking Statements

Certain matters discussed in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including expectations regarding the Company's ability to commercialize the VorTeq, the Company's belief that the milestones will be met in 2017, and our expectations that the second generation manifold will be capable of mitigating the system excitation challenges and vibrational operating challenges we have experienced. These forward-looking statements are based on information currently available to us and on management's beliefs, assumptions, estimates, or projections and are not guarantees of future events or results. Potential risks and uncertainties include our ability to achieve the milestones under the licensing agreement with a subsidiary of Schlumberger Limited and the risks discussed under "Risk Factors" in our Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 8, 2017 as well as other reports filed by us with the SEC from time to time. Because such forward-looking statements involve risks and uncertainties, our actual results may differ materially from the predictions in these forward-looking statements. All forward-looking statements are made as of today, and we assume no obligation to update such statements, whether as a result of new information, future events, or otherwise.

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