

Energy Recovery Enters Hydraulic Fracturing With Industry-Changing Pump Protection System

Revolutionary New Product to Significantly Increase Runtime and Reduce Maintenance Costs Associated With Pump Failure, Company to Unveil New Product at Analyst Day in New York City Today

SAN LEANDRO, Calif., Dec. 8, 2014 (GLOBE NEWSWIRE) --[Energy Recovery Inc.](http://www.energyrecovery.com) (Nasdaq:ERII), the leader in pressure energy technology for industrial fluid flows, today announced its entry into the hydraulic fracturing (fracking) market through today's launch of a revolutionary new product at an investor and analyst event in New York City.

The largest operational challenge facing the fracking industry today is the constant breakdown of high-pressure pumps caused by abrasive frac fluid (containing sand and ceramic proppants), which halts operations until the pumps can be repaired, resulting in lost runtime and lost profits.

Using its proven [Pressure Exchanger \(PX\) technology](#), Energy Recovery has engineered the first product of its kind that will entirely protect the frac pumps from frac fluid, and in doing so, will prevent damage and significantly reduce the costs and time associated with maintenance, making for a cleaner, more efficient and cost-effective process.

"We have been deliberate in our efforts to diversify into markets where our technologies can be deployed to improve the overall efficiency of industrial fluid flow processes. The fracking industry represents the latest result of these efforts and further cements Energy Recovery's transformation into a diversified energy solutions provider. Of all market opportunities being pursued, fracking presents the greatest combination of size and need. In analyzing the fracking market, it became immediately evident that onsite pump failures were a leading cause of downtime and generally, the greatest challenge faced by Pumpers. In addition to significant maintenance costs, the frequency of pump failures requires levels of redundancy that further exacerbate an operationally complex process and impede market growth. Our solution is an industry-changing technology that not only increases runtime and reduces operating costs, but more importantly will change the way Pumpers approach fracking. This is the largest addressable market that Energy Recovery has entered, and we look forward to providing additional information on the product itself and customer interest after its official launch later this morning," said Tom Rooney, CEO of Energy Recovery.

According to PacWest Consulting Partners, the global hydraulic fracturing services market is estimated to be roughly \$50 billion in 2014, and is projected to grow at a double-digit rate for the foreseeable future. Energy Recovery's solution presents multiple frontiers of value creation for the hydraulic fracturing industry.

Immediately, it allows for the reduction of pump maintenance costs and a reduction in excess capacity required to mitigate pump failures. Eventually, as the market adopts the technology, it will act as the gateway to new pumping operating models, all of which represent a step-change in the fracking paradigm. Energy Recovery's solution empowers both fracking service providers and well completion engineers with newfound freedom from the pumps they choose to the fluid they use. Considering just the reduction of pump maintenance costs and excess pumping capacity, Energy Recovery's solution will avail the hydraulic fracking industry of more than \$1 billion in annual savings. These savings will materially improve the operating margins of fracking service providers worldwide.

While the annual global addressable market is estimated to be roughly \$1.4 billion, Energy Recovery's initial focus will be on North America, which presents a market opportunity of approximately \$1 billion.

To ensure the solution's longevity in the market place, over the past 12 months, Energy Recovery has filed more than 40 patent applications.

Energy Recovery intends to issue another press release announcing details about the new product later this morning. Additionally, the Company will unveil its new technology during today's analyst day in New York City. For more information please visit the Company's website www.energyrecovery.com.

About Energy Recovery Inc.

Energy Recovery (Nasdaq:ERII) develops award-winning solutions to improve productivity, profitability, and energy efficiency within the oil & gas, chemical, and water industries. Our products simplify complex systems and protect vulnerable equipment. By recycling fluid pressure that would otherwise be lost in critical processes, we save clients more than \$1.4 billion (USD) annually. Headquartered in the Bay Area, Energy Recovery has offices in Madrid, Shanghai, and Dubai.

CONTACT: Investor Relations Contact:
ir@energyrecovery.com

Media Contact:
Alex Dolan
Marketing Communications Director
510.746.2574
adolan@energyrecovery.com

Source: Energy Recovery