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Energy Recovery Signs Licensing Agreement with Alderley for Centrifugal Products in the GCC

SAN LEANDRO, Calif., April 5, 2017 /PRNewswire/ --[Energy Recovery](#), Inc. (NASDAQ:ERII), the leader in pressure energy technology for industrial fluid flows, today announced a new licensing agreement with Alderley plc, a leading global supplier of integrated modular skid systems for oil and gas applications.



The 10-year licensing agreement will grant Alderley exclusive rights to sell and promote the Energy Recovery centrifugal line of products, including the IsoBoost™ and IsoGen™ systems for gas processing and pipeline applications in the Middle East region, including Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, Oman, Iraq and Iran to the extent international sanctions and laws permit. In return, Energy Recovery will receive a one-time royalty for each IsoBoost or IsoGen unit sold.

Energy Recovery has continuously expressed the drive to establish a solid beachhead in the GCC, or Gulf Cooperation Council countries. Progress toward this strategic imperative began in 2015 when the company commissioned its first energy recovery device for gas processing, an IsoGen turbogenerator, within one Saudi Aramco's larger facilities in the southeastern province of The Kingdom of Saudi Arabia. This beachhead was later fortified in 2016 when Energy Recovery announced the largest purchase order in the company's history, committing to the provision of multiple IsoBoost units for what will be one of the world's largest gas processing plants for the largest global producer of hydrocarbons.

Through this agreement with Alderley, the company progresses to the next phase of its centrifugal product strategy, allowing Energy Recovery to focus on technology and innovation while leveraging Alderley's expertise in project execution. The partnership with Alderley aims to accelerate a critical mass of installations for the IsoBoost and IsoGen product lines in the GCC by leveraging Alderley's strong relationships and installation expertise within the region. Ultimately, the agreement was consummated to generate more predictable and profitable revenue streams within the product line. Throughout 2016, Energy Recovery executed a rigorous corporate development effort to identify and qualify partners for the Centrifugal product line, with Alderley rising as the ideal fit.

Energy Recovery's President and CEO Joel Gay stated, "This agreement is yet another step toward realizing and unlocking the value of our long term strategy, moreover evidence of the continued evolution of Energy Recovery's business model to that of a licensor of differentiated and disruptive technology. In early 2015, we explicitly prioritized the GCC for

the deployment of our IsoBoost and IsoGen technologies within gas processing and pipeline applications; this a function of the then pending economic malaise within the North American midstream and upstream and more importantly, the untapped energy density throughout the oil & gas infrastructure of the Middle East. Our focused go-to-market strategy yielded success by way of the maiden installation of an Energy Recovery device within one of Saudi Aramco's larger facilities in the first quarter of 2015, followed by securing the largest purchase order in the Company's history for multiple IsoBoost units approximately one year later. These proof points of early adoption inexorably lent to a comprehensive corporate development effort to identify and engage the next licensing partner for the Company, Alderley. Alderley's distribution channel, project management and product delivery expertise, coupled with our technology will make a potent combination in further institutionalizing hydraulic energy recovery solutions within the target region. We are therefore elated to announce this licensing agreement and look forward to executing within its construct to further create value for our shareholders."

Mark Colebrook, Chief Executive Officer, Alderley plc, added, "Alderley is excited to be working with Energy Recovery, Inc. in the selling and promotion of the company's innovative and proven centrifugal products, as well as further driving the adoption and installation of these products across the GCC. Our knowledge and experience within the region, as well as the oil and gas industry will further bolster the execution and delivery of this innovative technology to an increasing number of plants and operators."

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 Alderley

Alderley plc is a multi-disciplined engineering company operating in the oil, gas and petrochemical industries producing effective and efficient solutions for the metering, processing, treatment and control of hydrocarbon products. Alderley has a long heritage in the oil and gas industry and has supplied more than 750 systems to more than 50 countries. Alderley has headquarters in the UK, and regional facilities in the UAE, Kingdom of Saudi Arabia and Singapore. More about Alderley can be found at www.alderley.com.

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 our belief that Alderley will be successful in accelerating a critical mass of installations for the IsoBoost and IsoGen product lines in the GCC, that the agreement will generate more predictable and profitable revenue streams within the product line, that the agreement will help realize and unlock the value of our long term strategy and create value for our shareholders, and that Alderley's

distribution channel, project management and product delivery expertise, coupled with our technology will make a potent combination in further institutionalizing hydraulic energy recovery solutions within the target region. 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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