



## OVERVIEW

**Energy Recovery, Inc. (NASDAQ:ERII)** technology harvests the power of pressure from high-pressure fluid flows and pressure cycles.

The Company's 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 Shanghai and Dubai.

<b>Industry</b>	Energy/technology
<b>Headquarters</b>	San Leandro, CA
<b>Market Cap</b>	\$181.5 million (as of 2/5/2015)
<b>Stock Price</b>	\$3.50 (as of 2/5/2015)
<b>Diluted Shares Out</b>	51.9 million (as of 9/30/2014)
<b>Shareholders' Equity</b>	\$74.4 million (as of 9/30/2014)
<b>Website</b>	<a href="http://www.energyrecovery.com">www.energyrecovery.com</a>

## THE INVESTMENT OPPORTUNITY

### PX Pressure Exchanger – Energy Recovery's First Disruptive Technology

- Leader in desalination industry with commanding market share
  - 15,000 PX devices installed worldwide
  - Three-month payback
  - 25-year life with no maintenance
  - 65%+ gross margins



### Growth Strategy: Leverage Proven Technology into a Larger Market Opportunity

- Annual recurring TAM of approx. \$4 billion

#### Water



**Desalination**  
**\$50M**

#### Oil & Gas



**Gas Processing**  
**\$627M**

**Pipelines**  
**\$1.05B**

**Fracking**  
**\$1.4B**

#### Chemical



**Ammonia**  
**\$1.43B**

**Urea**  
**\$399M**

### History of Disciplined Expansion and Technology Protection → Robust Portfolio of Patents with Additional Pending Applications

- In December 2014, introduced the VorTeq™ hydraulic pumping system to address pump failure at fracking sites
- IsoBoost™ system easily fits into any natural gas processing plant to increase plant uptime, productivity and profits
- IsoGen™ system specifically designed for oil pipelines, pressure drops and the gas sweetening process to capture pressure energy and generate electricity from high-pressure fluid flows

### Possesses Capacity to Address Future Growth and Drive Profitability/ROE

# INTRODUCING THE VORTEQ ~ ANNOUNCED IN DECEMBER 2014

Designed to isolate and save frac pumps

VorTeq addresses pump failure at fracking sites

VorTeq re-routes hostile frac fluid away from critical and costly pumps

VorTeq will revolutionize the fracking pump paradigm

Status-Quo

VorTeq Optimized



Pump Maintenance  
\$4.1M

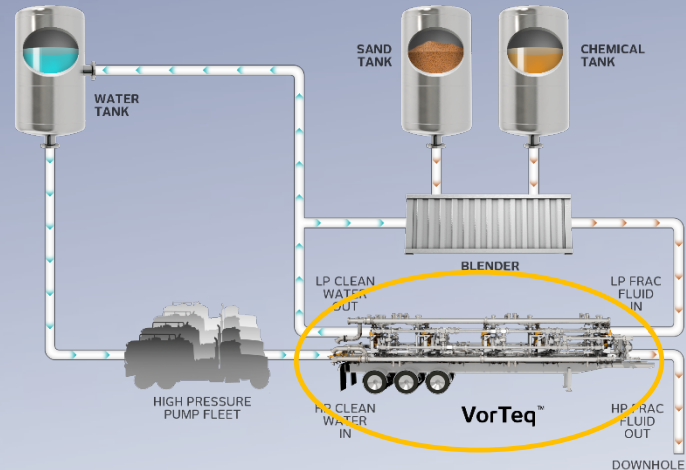
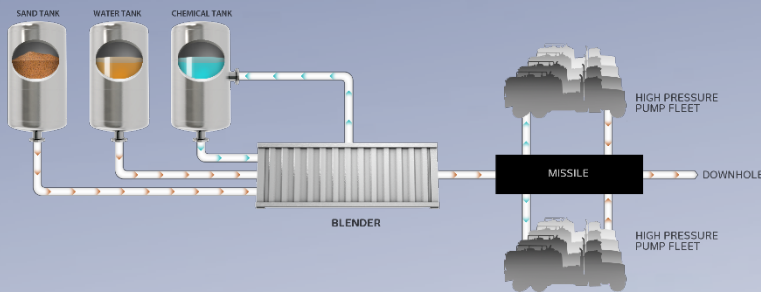


Cost Savings  
\$1M

VorTeq Rental  
\$1.6M

Pump Maintenance  
\$1.5M

## ENERGY RECOVERY'S SOLUTION: HYDRAULIC FRACTURING WITH AND WITHOUT VORTEQ



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