
June 25, 2020

To My Fellow Shareholders,

I write today with an update on Energy Recovery's VorTeq™ technology. We recently completed several key performance tests at a simulated well site with our partner, Liberty Oilfield Services ("Liberty"). These tests focused on field readiness and operational efficiency of the technology, including ensuring the successful integration of VorTeq units and Energy Recovery field personnel with a full Liberty frac crew. Furthermore, we sought to demonstrate the VorTeq will not interrupt operations and any failure of the system, while unexpected, should not result in a premature termination of the frac job. We believe these tests were successful.

These simulated well tests are important precursors to live well testing, and the positive results give me further confidence that we are ready for a live well frac. As such, we continue working with Liberty to identify a live well in the coming months. We view live well fracs as beta tests for the VorTeq and mandatory steps to achieve commercialization.

In addition to ensuring the VorTeq's technical readiness for a live well frac, the recent round of testing strengthened the coordination and communication between Energy Recovery and Liberty personnel. This will be critical in a live well environment and demonstrates that the VorTeq can easily integrate into a frac spread.

To this end, Ron Gusek, President of Liberty, graciously offered to allow me to share his thoughts on the recent testing:

"We are excited about the results we've seen in Texas and we are working with Energy Recovery and our customers to move the VorTeq to a live well. During the most recent field tests we have been able to better appreciate the potential of the VorTeq and its ability to be integrated into the existing frac spreads. Notably, the VorTeq demonstrated it will not interrupt operations and can continue to perform if faced with upset conditions such as the stopping and restarting of an individual frac pump in the system."

I am pleased with our team and the progress we have made. However, I have never lost sight of the significant investments that we have made in the VorTeq, and the need to either create real value for our shareholders, or to stop investing.



Energy Recovery remains focused on getting to commercialization as quickly as possible and we look forward to advancing the VorTeq's development in the coming months. I will continue to provide updates as we progress.

Stay safe and healthy everyone.

Sincerely,

A handwritten signature in black ink that reads 'Robert Mao'.

Robert Mao, Chairman and President and Chief Executive Officer
