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PRESS RELEASE

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FOR IMMEDIATE RELEASE

PX Pressure Exchanger® Technology Wins 500,000 m³/day of Fresh Water for Algeria

Energy Recovery, Inc.'s (ERI®) PX Technology will Recover Over 40 MW of Energy at up to 98% Efficiency, Helping to Provide a Major Portion of Algeria's Potable Water Needs.

San Leandro, Calif., March 29, 2007 – Energy Recovery, Inc. (ERI), the global leader of ultra-high-efficiency energy recovery products and technology for SWRO desalination, announced today that the company's PX Pressure Exchanger® (PX®) device has been selected to be the primary energy recovery device (ERD) solution for desalination in North Africa.

Over 500,000 m³/day of SWRO capacity has been contracted with PX technology to supply desperately needed drinking water to Algeria's population. With the announcement of these awards, it is clear that the North Africa region has standardized on the Company's innovative PX technology, dramatically reducing energy consumption and costs.

The Skikda project, will provide 100,000 m³/day (26.4 MGD) of fresh water for the region by year end, and is being designed and built by the Spanish consortium GEIDA. GEIDA is also building the Beni Saf project which will produce 200,000 m³/day (52.8 MGD) in 2008. Also in the region and commencing operations later this year, the Hamma Water Desalination SpA project (Hamma) will produce approximately 200,000 m³ of fresh water per day. This GE Infrastructure, Water & Process Technologies plant will supply 25% of the Algerian capital city's drinking water.

The Hamma and Beni Saf projects are considered the largest membrane desalination plants in Africa and are among the largest desalination plants in the entire world. More importantly, both projects will relieve the region's much needed water situation, as demand for water exceeds supply.

"We are happy PX technology is helping this leading North Africa country create affordable new sources of potable water," said GG Pique, ERI President and CEO.

"ERI is hiring French-speaking engineers and setting up warehousing and service capabilities in Algeria, all in an effort to make sure every one of the Algerian projects are fully supported and successful," commented Borja Blanco, ERI AG- Large Projects Group VP.

PX Pressure Exchanger® Technology Wins 500,000 m³/day of Fresh Water for Algeria (Cont'd)

ERI was named the 2006 and 2007 U.S. Export-Import Bank "Environmental Exporter of the Year," an honor awarded for its technological leadership and innovation in bringing cost-effective desalination to nations around the globe. The San Leandro, California-based company also received the European Desalination Society's prestigious Sidney Loeb Award for technical excellence in 2006.

Currently, ERI®'s patented PX® technology is making cost-efficient desalination of seawater possible in over 30 countries world-wide, covering five continents.

About ERI and the PX

Energy Recovery, Inc. (ERI) is the global leader in high efficiency energy recovery products and technology. Our PX Pressure Exchanger® (PX) energy recovery device is making desalination affordable. The PX device is rotary positive displacement pump that recovers energy from the high-pressure waste stream of SWRO desalination systems at up to 98% efficiency with no downtime or scheduled maintenance. Since its introduction in 1997, PX technology has emerged as the industry standard solution for SWRO desalination. There are currently over 5,400 PX units installed or contracted in SWRO plants worldwide, significantly reducing the cost to produce over 4.5 million cubic meters of fresh water per day, and saving customers an estimated 500 MW of energy or $264 million a year in operating costs.

ERI's headquarters is situated in the San Francisco Bay Area; San Leandro, California USA with offices in every continent of the globe including: Sunrise, Florida; Madrid, Spain; Abu Dhabi, UAE; Shanghai, China; and service representatives in Sydney, Australia.

For more information, please go to www.energyrecovery.com.