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FOR IMMEDIATE RELEASE

Chennai, India Quenches Thirst with 100,000 m³/day Desalination Plant Using PX Pressure Exchanger[®]s

Energy Recovery, Inc.'s (ERI[®]) PX[®] Technology awarded for India's Largest Desalination Plant

San Leandro, Calif., July 31, 2007 – Energy Recovery, Inc. (ERI), the global leader of ultra-high-efficiency energy recovery products and technology for SWRO desalination, announced that the company's PX Pressure Exchanger (PX) device has been selected to be the energy recovery device (ERD) solution for India's largest desalination plant in Chennai.

The plant, located near Minjur just north of Chennai, India's fourth largest city, will supply 100,000 m³/day (100 MLD) of desalinated water to the region; augmenting its current water supply. The reservoirs supplying the city have been drying up as the monsoon rains became scarce five years ago. Currently, the chief supplementary source of "potable" water into the city is some 600 water tanker trucks, each with a capacity of 12 cubic meters, making dozens of daily trips to bring emergency water to its residents. The cost of transporting such water has been increasing as a result of rising global fuel prices. Presently, Chennai residents pay an average price of over \$1.50 per cubic meter for typical tanker truck water, compared with the new tariff (below the American dollar) for the newly desalinated plant water.

To address its water security needs, the region is drought-proofing its potable water capacity by producing desalinated water. ERI's innovative PX technology allows Chennai quality drinking water by providing an affordable solution for many, including low income and disadvantaged groups, while dramatically reducing energy consumption and costs.

Chennai city also has five smaller reverse osmosis plants located at Nochikuppam, Kasimedu, Kasimedukuppam, Ayothiakuppam, and Velacherry, contributing to the local water needs of specific areas suffering from water scarcity.

The plant is being built by Spanish company, Befesa Construcción y Tecnología Ambiental (Befesa CTA) on a design, build, own, operate and transfer basis over 25 years. Befesa selected ERI's advanced PX technology for the 100,000 m³/day (26.4 million US gallons per day) SWRO desalination plant primarily due to its high efficiency, lowest overall lifecycle costs, reliability and commitment to customer service.

"We have been contracting ERI's PX technology in many of our plants as it is clearly providing competitive advantages in the market. More importantly, desalination is playing a vital role in providing reliable water at much lower cost that populations desperately need," said Carlos Cosin, International Director, Befesa.



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Earlier this year, ERI® was awarded the Global Water Awards 2007 Environmental Contribution of the Year by desalination industry leaders. The Company was named the 2006 and 2007 U.S. Environmental Exporter of the Year®, by Export- Import Bank and the US Department of Commerce, 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 six 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.

