

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE ENERGY RECOVERY, INC.,
SECURITIES LITIGATION

CASE NO.: 3:15-cv-00265-EMC

CLASS ACTION

**SUMMARY NOTICE OF PENDENCY
AND PROPOSED SETTLEMENT OF
CLASS ACTION**

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT**

TO: ALL PERSONS WHO PURCHASED ENERGY RECOVERY, INC. (“ENERGY RECOVERY” OR “THE COMPANY”) COMMON STOCK DURING THE PERIOD OF MARCH 7, 2013 THROUGH MARCH 5, 2015, INCLUSIVE (THE “SETTLEMENT CLASS”). THE EXPECTED AVERAGE RECOVERY (PER SHARE) IS \$0.167 PER SHARE, BEFORE THE DEDUCTION OF ATTORNEYS’ FEES, COSTS, AND EXPENSES AND \$0.117 PER SHARE, AFTER THE DEDUCTION OF ATTORNEYS’ FEES, COSTS, AND EXPENSES.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California, that a hearing will be held at 1:30 p.m. on August 24, 2017, at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, to determine (1) whether the Court should certify the Settlement Class for purposes of the Settlement pursuant to Federal Rule of Civil Procedure 23; (2) whether the proposed Settlement of the claims in the Litigation for the sum of \$3,850,000 in cash is fair, reasonable and adequate to the Settlement Class; (3) whether Lead Counsel should be awarded \$962,500 in attorneys’ fees (25% of the \$3,850,000 settlement amount) and reimbursed for up to \$50,000 of litigation expenses; (4) whether Lead Plaintiff should be awarded an incentive award in the amount of \$5,000; and (5) whether this Litigation should be dismissed with prejudice as against the Defendants and a judgment entered releasing all Released Claims against Defendants and each of their respective Related Persons as set forth in the Amended Stipulation of Settlement dated as of April 3, 2017 (the “Stipulation”). These expenses do not include claims administration costs estimated to total \$145,000, which will be paid separately from the Settlement Fund. The date of the hearing can be changed by the Court without further notice to the Class. You may check the Court’s docket on the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov> to confirm the date and time of the hearing.

**IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED ABOVE,
YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE
IN THE SETTLEMENT FUND.**

If you have not received the detailed Notice of Proposed Class-Action Settlement (the “Notice”) and Proof of Claim and Release Form, you may obtain them free of charge at the Claims Administrator’s website, www.EnergyRecoverySecuritiesLitigation.com, or by contacting the Claims Administrator by toll free phone at (844) 634-8908 or by mail at In re Energy Recovery, Inc. Securities Litigation, c/o GCG, PO Box 10358, Dublin, OH 43017-0358.

If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release Form **postmarked no later than August 4, 2017** establishing that you are entitled to recovery. You can also fax or e-mail the Proof of Claim and Release Form to (855) 409-7129 or Questions@EnergyRecoverySecuritiesLitigation.com; provided the Proof of Claim and Release Form is submitted no later than August 4, 2017.

Any objections to the Settlement, Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of expenses must be filed and served, in the manner set forth in the Notice, no later than August 4, 2017. If you object, you must still submit a Proof of Claim and Release in order to receive a recovery.

If you desire to be excluded from the Settlement Class, you must submit a request for exclusion in the manner and form detailed in the Notice, no later than August 4, 2017. All Members of the Settlement Class who have not requested exclusion from the Class will be bound by any judgment entered in the Litigation pursuant to the Stipulation.

**DO NOT CONTACT THE COURT
OR THE CLERK’S OFFICE REGARDING THIS NOTICE.**

Inquiries, other than requests for the Notice, may be made to Lead Counsel for the Class at Nicholas I. Porritt, Esq., Levi & Korsinsky LLP, 1101 30th Street NW, Washington, D.C. 20007.

DATED: April 11, 2017

BY ORDER OF THE COURT