

Innovative Demonstration Hub Launched for Reclaiming and Reusing Texas' 6 Billion Barrels of Discharged Water from Oil and Gas Production

San Antonio, TX (November 9, 2015) - AccelerateH2O has launched the first of seven proposed regional innovative demonstration hubs to test, evaluate, and streamline next generation water technologies to reclaim and reuse resources for residential, agricultural, industrial and utility interests. The first **Innovative Demonstration Hub** has been formed in partnership with Texas Water Solutions Management Group LLC and Fortress Environmental Services – one of the largest advanced produced water discharge operators in the Eagle Ford Shale region – to reclaim water for farming, ranching, manufacturing, and other industrial activities.

"Texas does not have well organized, large-scale sites for testing, evaluating, demonstrating the world's best technologies seeking to enter into our \$9 billion market," noted Ed Archuleta, El Paso Water System's former President and AccelerateH2O's Chairman. "After talking with thirty national and global firms about their previous experience to bring in current and future generations of products and integrated tools – one common response was the need to have seamless access to professionally managed sites to prove out their technologies for state permitting and showcasing effectiveness for investors and procurement decision-makers."

Tom Halbouty, former Chief Technology Officer of Pioneer Natural Resources, Ed Vaughan former Texas Water Development Board Chairman, and Russ Conser, former Senior Vice President of ShellUSA's Gamechanger program - in their capacity as members of its Advisory Committee – suggested AccelerateH2O respond to the immediate need for demonstration of cutting-edge technologies to convert so-called "produced water" from conventional and fracking projects for other opportunities in the energy sector as well as non-energy-related end-use.

The oil and gas industry uses approximately 1% of all water but could reclaim over 26% of the six billion barrels discharged to waste treatment or lost to waste water wells according to reports and data collected by Texas Water Recycling Association's John Tintera. Some 296 billion gallons could become the source for testing, evaluating and demonstrating technologies that filter, separate, and clean water from chemicals, solids, and related waste. Even secondary waste can be addressed by further filtration for organic materials used in road, landscape, and ancillary infrastructure.

Tim Koziol, CEO of Fortress Environmental Services, stated, "We are thrilled to provide the ground breaking demonstration site for these produced water technologies to prove their worth in the marketplace. We and our peers are always looking for new and improved technologies to manage, treat, and dispose of waste streams from the oil and gas industry, and excited to see the different companies come to AccelerateH2O's Demonstration Hub on our site!"

AccelerateH2O has identified additional demonstration hubs to be located in South Texas/Rio Grande Valley ("Smart Irrigation Demonstration"), Greater Galveston ("Regional Innovation for Coastal, Industrial, and Residential Grand Challenges"), West Texas ("Regional Innovation for Brackish Water, Aquifer Recharge, and the Future of Agriculture & Manufacturing") and within similar urban, rural, coast, and arid locations.

“An innovative demonstration hub is either a specific location or a regional set of assets that once organized under our framework provides professional services to conduct testing and evaluation under federal and state safety and health compliance, on large-scale facilities and millions of gallons of water to exceed engineering review, and provides a showcase for knowledge sharing among end-users, technology firms, academic researchers, and the marketplace of Texas’ 4600 utilities and 5000 corporate campuses,” explained Richard Seline, Executive Director of AccelerateH2O. “Israel, Singapore, Canada to name a few have these types of locations – we need to be in the global arena for providing best-in-class proving grounds and real-time showcasing of opportunities.”

“A ‘Call for Proposals’ has been issued to international, national and state technology firms and integrated solution providers seeking to address challenges in produced water from oil and gas energy activities, and requiring demonstration of the efficacy and economics for their technologies,” said Dustin Brownlow, partner with Texas Water Solutions Management Group. “Even though the industry is in a slow-down, now is the perfect time to understand lessons learned and plan for future water use scenarios.”

Proposals will be determined on a fee-for-service model that AccelerateH2O and Brownlow’s management team have created, and includes eligibility for possible federal and state R&D tax credits and other incentives for technology firms and industry-related consortia. A copy of the Demonstration and Pilot Proposal Application can be found through the **Texas Water Innovation Clearinghouse**, accessed at <http://www.AccelerateH2O.org> or by contacting (800)-708-0478.

About Accelerate H2O

There will always be challenges in Texas as well as barriers and limitations to innovating water. AccelerateH2O was formed to identify the most efficient and effective pathway for technology development and deployment across Texas’ residential, industrial, agricultural, and utility end-users. With more than 18 university research centers, 4,600 water agencies, 5,000+ medium and large corporate campuses, and thousands of farms and ranches, Texas represents an undiscovered \$9 billion water technology marketplace. We connect the market of ideas, resources, and assets by tackling barriers and limitations to innovating water in Texas.

About Texas Water Solutions Group

We are a networked team of field-tested, experienced industry managers from across the spectrum of nationally recognized oil and gas exploration and production companies, service operators, equipment and technology firms, and investors. We have a combined base of licensed, certified, and degree-awarded capabilities in the water reuse, reclamation, conservation, and infrastructure sectors in the Southwest United States. Our thinking and approach is entrepreneurial, innovative, and economical for clients and consortia. Contact Dustin Brownlow, Partner, Texas Water Solutions Management Group, LLC, dustin.brownlow@txwsmg.com

About Fortress Environmental Services

Fortress Environmental Services, a top Texas SWD (Salt Water Disposal) injection well provider for the Eagle Ford Shale play, offers leading-edge, fast SWD offload, solids remediation, truck washouts, frac tank wash outs, exterior truck washes and a fresh water depot so logistic providers can be more efficient and only have to make one stop. Learn more at <http://fortressenviro.com> or contact Tim Koziol, CEO - Fortress Environmental Services, tim.koziol@fortressenviro.com