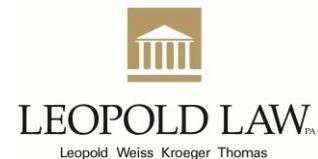


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***Halliburton Served with \$300 Million Demand for Arbitration
Faces Allegations of Stealing Guarded Trade Secrets & Violating Confidentiality
Agreements***

PALM BEACH GARDENS, Fla - Ecosphere Technologies, Inc. (“Ecosphere”) put Halliburton Energy Services, Inc. (“Halliburton”), on notice today of a Demand for Arbitration that is being filed with the American Arbitration Association, alleging that Halliburton took and disclosed Ecosphere’s trade secrets and proprietary technical, business and strategic information. Ecosphere demands \$300 Million in damages in the filing, alleging specifically that Halliburton both breached a non-disclosure agreement with Ecosphere, and that Halliburton stole, converted or misappropriated Ecosphere’s trade secrets, all relating to Ecosphere’s green technology business model to treat and recycle water used during hydraulic fracturing or “fracking” operations for oil and natural gas.

Ecosphere developed a novel business platform and supporting technology to treat and recycle “flowback” and “produced water” for use as a bacteria-free and scale-free fracturing fluid. The revolutionary platform not only provided an environmentally appealing alternative to the current system but also provided considerable cost saving measures. The average unconventional shale well requires 5.2 million gallons of clean water as a fracturing fluid to allow the release of oil and natural gas. After injection, the fluid that flows back up the wellbore is normally contaminated with heavy metals, volatile organic compounds and bacteria, and is treated as contaminated wastewater. Ecosphere developed a system to treat the flowback and produced water without the use of liquid chemicals, for use as a fracturing fluid. The breakthrough does and will continue to greatly reduce the environmental impact traditionally associated with hydraulic fracturing, and has been proven to significantly increase productivity in hydraulic fracturing operations.

Ecosphere spent greater than \$70 Million between 1998 and 2007 to develop its proprietary broad spectrum advanced oxidation process, now trademarked as Ozonix®, that uses ozone, hydrodynamic cavitation, acoustic cavitation and electro chemical oxidation to treat produced fluids. In 2008, Ecosphere developed the ability to use Ozonix directly at a well site, at the flow rate of the frack (up to 5,000 gallons per minute), thereby lowering the costs and environmental impact of both disposing of flowback and produced water, and sourcing new water to continue fracking. Ecosphere named the treated produced fluid Ecos-Brine®.

In December 2008, Ecosphere field-tested the process at several horizontal Woodford Shale wells near Coalgate, Oklahoma, resulting in the publication of a scientific paper describing the success, entitled “Breakthrough Mobile Water Treatment Converts 75% of Fracturing Flowback Fluid to Fresh Water and Lowers CO2 Emissions”. Soon thereafter, Ecosphere alleges that Halliburton faced significant political and public pressure to eliminate the toxic chemicals they sold to energy exploration companies, including the introduction in June 2009 of legislation called the “Fracking Responsibility and Awareness of Chemicals Act” aimed at closing the “Halliburton Loophole”. Halliburton therefore approached Ecosphere to explore potential opportunities to work together.

Ecosphere and Halliburton entered into a Joint Confidentiality Agreement that prohibited Halliburton from the unauthorized use or disclosure of Ecosphere’s trade secrets and proprietary information, and pursuant to the Agreement provided Halliburton unfettered access to Ecosphere’s technological, strategic and business trade secrets. After Halliburton made an offer to purchase Ecosphere and negotiations broke down, Ecosphere alleges Halliburton wrongfully used Ecosphere’s trade secrets to immediately market itself as an environmentally friendly company, form a venture known as Blu Energy Solutions to “provide well-site recycling technologies and holistic water management solutions to the oil and gas industry with the goal of reducing disposal costs and minimizing waste volumes” and acquire trademarks and patents.

Trial Attorneys Theodore Leopold and Gregory Weiss of Leopold Law, P.A. and Patent Attorney Michael Slavin of McHale & Slavin, P.A., both in Palm Beach Gardens, Florida, represent Ecosphere in this demand for arbitration. Upon submitting this claim, Mr. Weiss commented, “Halliburton clearly saw our client’s innovative product as both a valuable asset and a threat to their own business model. We believe they deliberately ignored their obligations under the confidentiality agreement and misappropriated Ecosphere’s highly guarded trade secrets for their own use.” Michael Slavin added, “Ecosphere spent significant time and resources developing its cutting edge green technology trade secrets and related IP, only to have the highest level Halliburton decision-makers use them as their own.”

Leopold Law, P.A. is a boutique litigation firm with a proven record of fighting injustice and our attorneys have over 100 years of combined litigation experience. The firm is headquartered in Palm Beach Gardens, Florida, with offices located at 2925 PGA Blvd. and can be contacted at (561) 515-1400. For more information about Leopold Law, P.A., visit the firm’s website at www.leopold-law.com.

McHale & Slavin, P.A. limits its practice to intellectual property services, including prosecution, litigation, and related transactional services. The firm is located at 2855 PGA Blvd., Palm Beach Gardens, Florida. For more information, visit the firm’s website at www.mchaleslavin.com.

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