

# BUSINESS

Dow Jones	S&P	Nasdaq
10,544.90 -52.54	1,227.16 -4.04	2,149.33 -22.42

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Tennessee Valley Authority's Shawnee Fossil Plant, a 138-megawatt coal-fired unit, is a site where Stamford-based Fuel Tech installed its NOxOUT Selective Non-Catalytic Reduction equipment.

## Fuel-Tech to help clean the air in China

By Richard Lee

Assistant Business Editor

A Stamford-based developer of industrial air pollution control technology, is expanding its reputation beyond the United States and is making inroads into the emerging industrial giant, China.

Fuel-Tech NV in Stamford has been awarded a \$9.3 million contract for the installation

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of its NOxOUT Selective Non-Catalytic Reduction equipment on four new, 600-megawatt, coal-fired boilers for Ligang Electric Power Co. Ltd. in Jiangyin, Jiangsu Province.

Equipment for two units is to

be shipped early next year, with the first boiler expected to be operational by June. The remaining equipment should be shipped in the fourth quarter of next year.

The custom-engineered equipment reduces the level of nitrogen oxide given off by introducing urea to interact with the pollutant and produce instead a non-toxic mix of

water and nitrogen.

With the rapid industrialization of China, Fuel-Tech sees the contract as the first of many as the country battles to curb air pollution.

"This contract, the largest to be awarded to the company in several years, represents Fuel Tech's first commercial NOxOUT order in the PRC," said

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# Fuel-Tech

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Steven Argabright, president and chief operating officer. "As such, it provides valuable exposure to the world's largest coal consuming country, which relies on this fossil fuel for approximately 70 percent of its power production."

Argabright said there will be further opportunity as China likely will need an additional 225 gigawatts of coal-produced electricity by 2010, the equivalent of 375 large coal-fired boilers.

The short-term prospects for foreign investment in China are huge, according to a global trend report issued by The Dilenschneider Group in New York City, but it should be done with care.

U.S. corporations must be wary of how events unfurl in China, according to the report, warning that disparities between the rich and poor could cause political instability.

"Keep in mind that the Chinese are in this for the Chinese and,

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*The company's system has been installed in 340 boilers in the United States, Europe, Taiwan and Korea in the past 16 years.*

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when the moment comes to go forward and conditions are right, they will throw all others on the side of the road," reads the report.

Argabright credited staff members of Chinese ancestry at Fuel-Tech's Batavia, Ill., facility for nailing down the contract after lengthy negotiations and visits by Ligang Electric Power staff to Fuel-Tech clients.

"It's been a long process of establishing credibility and working with the Ministry of Science and Technology," Argabright said.

The company's system has been installed in 340 boilers in the United States, Europe, Taiwan and Korea in the past 16 years, he said.

Entry into the China market should be a boon for the company, which has seen a growth in revenue. In 2004, Fuel-Tech recorded revenue of about \$34 million, and it anticipates \$45 million to \$48 million in 2005.

The demand for Fuel-Tech's technology in the United States typically is for retrofitting utility boilers — about 70 have been done, including at Duke Energy, the Tennessee Valley Authority and First Energy.

Fuel-Tech has installed three NOxOUT systems at Duke plants in North Carolina, and 15 more are planned in the next three years.

"We have an alliance with Fuel-Tech. These are all retro-

fits at 30- to 50-year-old coal-fired plants," said Greg McGinnis, program manager at Duke's headquarters in Charlotte, N.C. The Fuel-Tech equipment reduces nitrogen oxide emissions by 20 to 25 percent, he said.

Solvay Chemicals uses two burners at its Green River, Wyo., plant to convert sodium carbonate into soda ash. Solvay is converting those burners from natural gas to coal, and to meet government emissions standards is incorporating Fuel-Tech equipment.

"Without their equipment, we wouldn't be able to meet the requirements in our air quality permit," said Richard Hodgson, Solvay project manager.

Fuel-Tech is one of several companies that provide technology to limit emissions at First Energy utility plants, said Dale Frognowski, supply chain manager at First Energy's Akron, Ohio, offices. Fuel-Tech's equipment has performed well, he said.