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**FOR IMMEDIATE RELEASE**

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**FUEL TECH ANNOUNCES ELECTION OF DOUGLAS G. BAILEY  
AS CHAIRMAN OF THE BOARD**

**WARRENVILLE, Ill., Jan. 4, 2010** – Fuel Tech, Inc. (NASDAQ: FTEK) today announced that its Board of Directors has elected Douglas G. Bailey, formerly Deputy Chairman since 2002, to the position of Chairman of the Board of Fuel Tech, effective January 1, 2010. Mr. Bailey succeeds Ralph E. Bailey, who ended his service as Executive Chairman, effective December 31, 2009. Ralph Bailey will continue to serve as a Director and, in recognition of his exceptional contributions to the Company, has been granted the title of Chairman Emeritus.

Commenting on his decision, Ralph Bailey noted, “As I reflect on my long career, which includes more than a decade with Fuel Tech, I believe the time is right for me to step aside in favor of the next generation of executive management. Doug Bailey has exercised true leadership skills in serving on Fuel Tech’s Board since 1998 and I have every confidence that he will help guide the Company to new levels of performance.”

Doug Bailey commented, “Ralph Bailey has been instrumental in building Fuel Tech into a world class technology company and we are most fortunate that he has agreed to continue to serve as a Director. As a major stockholder in Fuel Tech, he has always aligned his interests with those of all our stockholders and I affirmatively share his long-term vision for the Company.”

Thomas S. Shaw, Jr., Director and Chairman of Fuel Tech’s Compensation and Nominating Committee, stated, “The Board salutes Ralph for his many years of dedicated service to Fuel Tech and we are extremely pleased that Doug is succeeding Ralph in this key role at such an important juncture in the Company’s history.”

Douglas Bailey has been President of American Bailey Corporation (ABC), a closely-held private equity firm, since its founding in 1984 and has been its Chief Executive Officer since 1996. A graduate of Massachusetts Institute of Technology and Harvard Business School, he has worked closely with Fuel Tech since its affiliation with ABC began in April 1998.

## **About Fuel Tech**

Fuel Tech is a leading technology company engaged in the worldwide development, commercialization and application of state-of-the-art proprietary technologies for air pollution control, process optimization, and advanced engineering services. These technologies enable customers to produce both energy and processed materials in a cost-effective and environmentally sustainable manner.

The Company's nitrogen oxide (NO<sub>x</sub>) reduction technologies include advanced combustion modification techniques – such as low NO<sub>x</sub> burners and over-fire air systems – and post-combustion NO<sub>x</sub> control approaches, including NO<sub>x</sub>OUT<sup>®</sup> and HERT<sup>™</sup> SNCR systems as well as systems that incorporate NO<sub>x</sub>OUT CASCADE<sup>®</sup>, ULTRA<sup>™</sup>, Rich Reagent Injection (RRI) and NO<sub>x</sub>OUT-SCR<sup>®</sup> processes. These technologies have established Fuel Tech as a leader in NO<sub>x</sub> reduction, with installations on over 550 units worldwide, where coal, fuel oil, natural gas, municipal waste, biomass, and other fuels are utilized.

The Company's FUEL CHEM<sup>®</sup> technology revolves around the unique application of chemicals to improve the efficiency, reliability, fuel flexibility and environmental status of combustion units by controlling slagging, fouling, corrosion, opacity and acid plume, as well as the formation of sulfur trioxide, ammonium bisulfate, particulate matter (PM<sub>2.5</sub>), carbon dioxide and NO<sub>x</sub>. This technology, in the form of a customizable FUEL CHEM program, is being applied to 85 combustion units burning a wide variety of fuels including coal, heavy oil, biomass, and municipal waste. A breakdown of the nature of these customer units is posted on the Company's website.

Fuel Tech also provides a range of combustion optimization services, including airflow testing, coal flow testing and boiler tuning, as well as services to help optimize selective catalytic reduction system performance, including catalyst management services and ammonia injection grid tuning. In addition, flow corrective devices and physical and computational modeling services are available to optimize flue gas distribution and mixing in both power plant and industrial applications.

Many of Fuel Tech's products and services rely heavily on the Company's exceptional Computational Fluid Dynamics modeling capabilities, which are enhanced by internally developed,

high-end visualization software. These capabilities, coupled with the Company's innovative technologies and multi-disciplined team approach, enable Fuel Tech to provide practical solutions to some of our customers' most challenging problems. For more information, visit Fuel Tech's web site at [www.ftek.com](http://www.ftek.com).

*This press release may contain statements of a forward-looking nature regarding future events. These statements are only predictions and actual events may differ materially. Please refer to documents that Fuel Tech files from time to time with the Securities and Exchange Commission for a discussion of certain factors that could cause actual results to differ materially from those contained in the forward-looking statements.*

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