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**FOR IMMEDIATE RELEASE**

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## **FUEL TECH ANNOUNCES COMMERCIAL FUEL CHEM<sup>®</sup> ORDER**

**WARRENVILLE, Ill., August 6, 2010** – Fuel Tech, Inc. (NASDAQ: FTEK), a world leader in advanced engineering solutions for the optimization of combustion systems and emissions control in utility and industrial applications, today announced receipt of a commercial FUEL CHEM<sup>®</sup> order from an existing domestic electric utility customer. Fuel Tech's proprietary TIFI<sup>®</sup> Targeted In-Furnace Injection<sup>™</sup> technology will be installed on a large coal-fired boiler with chemical injection scheduled to commence in the third quarter.

Douglas G. Bailey, Chairman, President and Chief Executive Officer, commented, “The growing divergence in pricing from major U.S. coal fields is fast becoming another powerful driver for our business as utilities are increasingly attracted to the compelling economic benefits of shifting to the lower priced, and lower quality, coals originating in the Illinois Basin and Powder River Basin. In this case, our client was looking to make a switch from burning Central Appalachian to Illinois Basin coal. We are confident that our TIFI approach will yield significant cost savings by enabling fuel flexibility while improving operating performance and enabling additional megawatt generation.”

Mr. Bailey concluded, “We are also pleased to be proceeding straight to commercial contract, without the need for a demonstration, reflecting a trend that we are increasingly experiencing.”

### **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

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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 ASCR<sup>™</sup> (Advanced Selective Catalytic Reduction), CASCADE<sup>™</sup>, ULTRA<sup>™</sup> 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 580 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 operational issues associated with 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 installed on over 90 combustion units burning a wide variety of fuels including coal, heavy oil, biomass, and municipal waste.

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.*