



CONTACT: David S. Collins
Chief Financial Officer
(630) 845-4500

FOR IMMEDIATE RELEASE

Tracy H. Krumme
Vice President, Investor Relations
(203) 425-9830

**FUEL TECH ANNOUNCES DOUGLAS G. BAILEY TO SERVE
AS PRESIDENT AND CHIEF EXECUTIVE OFFICER ON A CONTINUING BASIS**

WARRENVILLE, Ill., Dec. 13, 2010 – Fuel Tech, Inc. (NASDAQ: FTEK) announces that on December 9, 2010, following a lengthy executive search process, the Company's Board of Directors determined that, effective January 1, 2011, Douglas G. Bailey will serve as Fuel Tech's President and Chief Executive Officer ("CEO") on a continuing basis. Mr. Bailey was appointed to this position on an interim basis on April 1, 2010 following the retirement of former President and CEO, John F. Norris Jr.

Mr. Bailey has been Chairman of the Board of Fuel Tech since January 2010, was Deputy Chairman from 2002 through December 2009, and a director since April 1998. He was a part-time employee of Fuel Tech from January 1, 2004 through December 31, 2009. The son of Chairman Emeritus Ralph E. Bailey, he has been President of American Bailey Corporation, a closely held private equity firm, since its founding in 1984 and has been its CEO since 1996. A graduate of Massachusetts Institute of Technology, he holds Bachelor of Science, Master of Science and Engineer's degrees, all in Mechanical Engineering, and a Master in Business Administration degree from Harvard Business School.

Thomas S. Shaw, Jr., Director and Chairman of Fuel Tech's Compensation and Nominating Committee, stated, "Doug has exercised true leadership skills in serving on Fuel Tech's Board since 1998, including his service as Chairman of the Board since January 2010, and in his most recent additional capacities as President and CEO. We are fortunate, at such an important juncture in the Company's history, that Doug, who is also a major long-term holder of Fuel Tech stock, has agreed to continue to serve the Company in each of those key roles. We have confidence that he will help

guide the Company to new levels of performance with an eye on creating long-term value for the Company and its stockholders."

Douglas Bailey stated, "I am honored by the continued faith of the Board of Directors and acknowledge the accomplishments of our employees around the world. Working together as we have over the last three quarters, we are inspired to achieve the full potential that we see for Fuel Tech. Our plan for 2011 is in place and we look forward to building on our Company's past success and creating new opportunities to provide our customers with innovative solutions to enable the generation of clean, efficient energy."

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 (NOx) reduction technologies include advanced combustion modification techniques - such as Low NOx Burners and Over-Fire Air systems - and post-combustion NOx control approaches, including NOxOUT[®] and HERT[™] SNCR systems as well as systems that incorporate ASCR[™] (Advanced Selective Catalytic Reduction), CASCADE[™], ULTRA[™] and NOxOUT-SCR[®] processes. These technologies have established Fuel Tech as a leader in NOx reduction, with installations on over 600 units worldwide, where coal, fuel oil, natural gas, municipal waste, biomass, and other fuels are utilized.

The Company's FUEL CHEM[®] 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_{2.5}), carbon dioxide and NOx. 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.

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.