



CONTACT: Vincent J. Arnone
Chief Financial Officer
(630) 845-4500

FOR IMMEDIATE RELEASE

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

**FUEL-TECH N.V. REPORTS FIRST-QUARTER RESULTS;
REVENUES UP 96% YEAR-OVER-YEAR**

STAMFORD, Conn., May 5, 2005 -- Fuel-Tech N.V. (Nasdaq: FTEK), a world leader in advanced engineering solutions for the optimization of combustion systems in utility and industrial applications, today reported results for the quarter ended March 31, 2005.

Net sales for the first quarter surged 96% to a record \$12.1 million, up \$5.9 million from the comparable prior-year period. Net income totaled \$753,000, or \$0.03 per diluted share, compared with a net loss of \$531,000, or (\$0.03) per diluted share, in the same year-ago quarter.

The increases in net sales and net income were attributable to exceptionally strong results in the air pollution control business, which continues to benefit from the acceleration of orders experienced since the second half of 2004. Sales for the fuel treatment chemical business, at \$3.7 million, were essentially unchanged from a year ago as FUEL CHEM[®] revenues were limited by the effects of demonstration programs and coal supply issues. With respect to demonstrations, three such programs were in effect during the first quarter, one on a no-cost basis at a critical coal-fired utility and the other two on a cost-share basis at key oil-fired units. Assuming the Company meets the performance criteria for the two cost-share demonstrations, Fuel Tech will receive the balance of the full commercial price for these programs. Relative to coal supplies, one critical Western-coal fired unit was significantly derated unexpectedly for an extended period due to inability to have the required amounts of Western coal delivered to its plant.

Steven C. Argabright, President and Chief Operating Officer, commented, "We are extremely pleased to start off the year by reporting record quarterly revenues and strong gains in net income. Our air pollution control business continues to experience robust order activity as utilities and industrial facilities impacted by the Environmental Protection Agency's (EPA) State

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Implementation Plan (SIP) Call utilize our NOxOUT[®] technology in their regulatory compliance planning.”

Mr. Argabright concluded, “Although we achieved only modest revenue growth in our FUEL CHEM business, we continue to be very optimistic about its prospects, both in the United States and abroad. With several demonstrations announced this past quarter, including a successful phase one trial in Mexico, we believe we are well on the way to winning new commercial orders and achieving our growth objectives for the year.”

Conference Call

As a reminder, Fuel-Tech N.V will host a conference call today at 10:00 AM ET to discuss the results. The call will be simultaneously broadcast over the Internet at www.fueltechnv.com and can be accessed under the “Investors” subheading on the homepage. The call can also be accessed by dialing 800.299.6183 (domestic) or 617.801.9713 (international) and using the passcode “Fuel-Tech N.V.” A replay of the call will be available on the website and can be accessed by dialing 888.286.8010 (domestic) or 617.801.6888 (international) and using the passcode “61916050”. The replay will be available until May 26, 2005.

About Fuel-Tech N.V.

Fuel-Tech N.V. 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. The Company’s NOx reduction processes, which include the NOxOUT[®], NOxOUT CASCADE[®], NOxOUT ULTRA[®], Rich Reagent Injection (RRI) and NOxOUT SCR[®] technologies, have established Fuel-Tech N.V. as a leader in post combustion NOx control systems, which are installed on over 325 units worldwide.

New technologies that have grown out of the core NOx reduction business form the basis of the FUEL CHEM[®] business. FUEL CHEM technology centers around the unique application of chemicals to improve the performance of combustion units by controlling slagging, fouling, corrosion and opacity. The Company’s FUEL CHEM products are being applied to over 80 combustion units burning a wide variety of fuels including coal, heavy oil, biomass, and municipal waste. Both the NOx reduction and FUEL CHEM businesses rely heavily on the Company’s exceptional Computational Fluid Dynamics modeling skills, which are enhanced by internally developed, high-end visualization software. For more information, visit Fuel-Tech N.V.’s web site at www.fueltechnv.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.

FUEL-TECH N.V.
CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars, except share data)

	March 31, 2005 <u>(Unaudited)</u>	December 31, 2004 <u></u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,346	\$ 6,531
Accounts receivable, net	9,126	7,358
Deferred income taxes	26	500
Prepaid expenses and other current assets	<u>1,761</u>	<u>1,271</u>
Total current assets	17,259	15,660
Equipment, net of accumulated depreciation of \$7,526 and \$7,209, respectively	3,311	2,863
Goodwill	2,119	2,119
Other intangible assets, net of accumulated amortization of \$1,000 and \$968, respectively	1,324	1,342
Deferred income taxes	1,144	1,144
Other assets	<u>840</u>	<u>700</u>
Total assets	<u>\$ 25,997</u>	<u>\$ 23,828</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,035	\$ 2,705
Accrued expenses	<u>1,538</u>	<u>1,663</u>
Total current liabilities	5,573	4,368
Other liabilities	<u>492</u>	<u>505</u>
Total liabilities	6,065	4,873
Stockholders' equity:		
Common stock, par value \$0.01 per share, authorized 40,000,000 shares, 19,938,779 and 19,529,952 shares issued, respectively	199	195
Additional paid-in capital	88,865	88,600
Accumulated deficit	(69,705)	(70,458)
Accumulated other comprehensive income	41	86
Nil coupon perpetual loan notes	<u>532</u>	<u>532</u>
Total stockholders' equity	<u>19,932</u>	<u>18,955</u>
Total liabilities and stockholders' equity	<u>\$ 25,997</u>	<u>\$ 23,828</u>

FUEL-TECH N.V.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands of U.S. dollars, except share data)

	Three Months Ended March 31	
	<u>2005</u>	<u>2004</u>
Net sales	\$ 12,051	\$ 6,152
Costs and expenses:		
Cost of sales	6,397	3,216
Selling, general and administrative	4,056	3,177
Research and development	<u>334</u>	<u>303</u>
	<u>10,787</u>	<u>6,696</u>
Operating income (loss)	1,264	(544)
Other (expense) income, net	<u>(28)</u>	<u>13</u>
Income (loss) before taxes	1,236	(531)
Income taxes	<u>(483)</u>	<u>-</u>
Net income (loss)	<u>\$ 753</u>	<u>\$ (531)</u>
Net income (loss) per Common Share:		
Basic	<u>\$.04</u>	<u>\$ (.03)</u>
Diluted	<u>\$.03</u>	<u>\$ (.03)</u>
Average number of Common Shares outstanding:		
Basic	<u>19,683,000</u>	<u>19,504,000</u>
Diluted	<u>22,587,000</u>	<u>19,504,000</u>

FUEL-TECH N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands of U.S. dollars)

	Three Months Ended March 31	
	2005	2004
Operating activities		
Net cash provided by (used in) operating activities	\$ 424	\$ (829)
Investing activities		
Purchases of equipment and patents	(833)	(850)
Net cash used in investing activities	(833)	(850)
Financing activities		
Exercise of stock options	269	4
Net cash provided by financing activities	269	4
Effect of exchange rate fluctuations on cash	(45)	(22)
Net decrease in cash and cash equivalents	(185)	(1,697)
Cash and cash equivalents at beginning of period	6,531	7,812
Cash and cash equivalents at end of period	\$ 6,346	\$ 6,115

FUEL-TECH N.V.
BUSINESS SEGMENT FINANCIAL DATA
(in thousands of U.S. dollars)

For the three months ended March 31, 2005	Nitrogen Oxide Reduction	Fuel Treatment Chemical	Other	Total
Net sales from external customers	\$ 8,320	\$ 3,727	\$ 4	\$12,051
Cost of sales	4,292	2,008	97	6,397
Gross margin	4,028	1,719	(93)	5,654
Selling, general and administrative	-	-	4,056	4,056
Research and development	-	-	334	334
Operating income (loss)	\$ 4,028	\$ 1,719	\$ (4,483)	\$ 1,264

For the three months ended March 31, 2004	Nitrogen Oxide Reduction	Fuel Treatment Chemical	Other	Total
Net sales from external customers	\$ 2,442	\$ 3,708	\$ 2	\$ 6,152
Cost of sales	1,388	1,764	64	3,216
Gross margin	1,054	1,944	(62)	2,936
Selling, general and administrative	-	-	3,177	3,177
Research and development	-	-	303	303
Operating income (loss)	\$ 1,054	\$ 1,944	\$ (3,542)	\$ 544

Note: Fuel Tech is organized into three reportable segments, two that provide advanced engineering solutions for the optimization of combustion systems in utility and industrial applications, and one that markets and sells visualization software. The segment that markets and sells visualization software was discontinued effective March 1, 2005. The visualization software segment does not meet the materiality test for disclosure and is aggregated in "Other" above. In addition, "Other" also includes those profit and loss items not allocated by Fuel Tech to each reportable segment.

GEOGRAPHIC INFORMATION
(in thousands of U.S. dollars)

	For the three months ended March 31	
	2005	2004
Revenues:		
United States	\$ 10,051	\$ 4,577
Foreign	2,000	1,575
	<u>\$ 12,051</u>	<u>\$ 6,152</u>