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FOR IMMEDIATE RELEASE

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**FUEL TECH AWARDED \$4.6 MILLION NO_xOUT[®] ORDER
IN THE PEOPLE'S REPUBLIC OF CHINA**

BATAVIA, Ill., May 20, 2008 – Fuel Tech, Inc. (Nasdaq: FTEK), a world leader in advanced engineering solutions for the optimization of combustion systems in utility and industrial applications, today announced receipt of a \$4.6 million contract for the supply and installation of NO_xOUT[®] Selective Non-Catalytic Reduction (SNCR) technology on two newly constructed 600 megawatt coal-fired boilers in the People's Republic of China (PRC). Equipment deliveries for these nitrogen oxide (NO_x) control systems are scheduled to commence during the second quarter of 2009.

The contracting party is China Datang Technologies & Engineering Co., Ltd., with the installation taking place at the Huaneng Yimin Power Plant in Inner Mongolia. The plant is a part of China Huaneng Group, the largest coal-based power generator in the PRC. China Huaneng Group successfully commissioned a Fuel Tech NO_xOUT ULTRA[®] system in a Beijing coal-fired power plant late in 2007.

John F. Norris Jr., President and Chief Executive Officer, commented, “We are delighted to be initiating a relationship with one of the PRC's most influential environmental engineering firms and to be assisting this northern PRC region in attaining its goal of reducing emissions of major pollutants. To be working on another plant in the Huaneng Group is indeed an honor. We look forward to assisting other Chinese coal-fired plants in satisfying their pollution control objectives.”

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_x) reduction technologies include the NO_xOUT[®], NO_xOUT CASCADE[®], NO_xOUT ULTRA[®], Rich Reagent Injection (RRI) and NO_xOUT-SCR[®] processes. These technologies have established Fuel Tech as a leader in post-combustion NO_x control systems, with installations on over 450 units worldwide, where coal, 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 acid plume, as well as the formation of sulfur trioxide, ammonium bisulfate, particulate matter (PM_{2.5}), carbon dioxide and NO_x. This technology, in the form of a customizable FUEL CHEM program, is being applied to over 95 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.

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.

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