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FOR IMMEDIATE RELEASE

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**FUEL TECH SIGNS LICENSE IMPLEMENTATION
AGREEMENT IN MEXICO**

WARRENVILLE, Ill., Aug. 6, 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 that it has signed a license implementation agreement with Energy Marine Services, S.A. de C.V. (EMS), a private Mexican corporation. The agreement replaces a former distribution arrangement in Mexico.

Under the license implementation agreement, EMS has been granted an exclusive license in Mexico to utilize Fuel Tech's technology to implement the Company's TIFI™ Targeted In-Furnace Injection™ program for utility and industrial end use customers in Mexico in exchange for license royalty payments based on the volume of chemical consumed by EMS's customers. The initial term of the agreement is five years.

EMS is managed by Jorge Vazquez, a prominent Mexican businessman with interests in a number of industrial enterprises, including Double V Holding, S.A. de C.V. Double V was the general contractor responsible for installation of a Fuel Tech TIFI program for sulfur trioxide (SO₃) emission reduction at the oil-fired Punta Prieta electric generating station in La Paz, Mexico.

John F. Norris Jr., President and Chief Executive Officer, commented, "Our ability to secure new business in Mexico has been significantly enhanced by this new association with Energy Marine Services. Discussions are currently underway with several major oil- and coal-fired power plants that are experiencing severe slagging and SO₃ emission issues for which the application of a TIFI program would be very beneficial."

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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 100 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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