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FOR IMMEDIATE RELEASE

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**FUEL TECH COMPLETES ITS ACQUISITION OF
ADVANCED COMBUSTION TECHNOLOGY, INC. ASSETS AND
REALIGNS ITS U.S. AND CANADIAN SALES ORGANIZATION**

WARRENVILLE, Ill., Jan. 6, 2009 – Fuel Tech, Inc. (NASDAQ: FTEK) today announced that it has completed its acquisition of substantially all of the assets of Hooksett, New Hampshire-based Advanced Combustion Technology, Inc. (ACT) for approximately \$22 million in cash plus performance-based contingent payments. Additional information on this transaction is provided in Fuel Tech’s news release dated Dec. 8, 2008 at www.ftek.com/pr/PR081208.pdf.

Peter Marx, former President of ACT, is now Senior Vice President – Advanced Combustion Technologies, reporting to John F. Norris Jr., Fuel Tech’s President and Chief Executive Officer. Robert (Bob) Pickering and Charles (Chuck) Trippel, also former principals of ACT, are now Vice Presidents of Fuel Tech, reporting to Peter Marx. This newly acquired area of Fuel Tech’s air pollution control (APC) business will enhance the Company’s ability to provide expertise worldwide in the areas of advanced combustion technologies, specifically combustion optimization, low and ultra-low NOx burners and over-fire air systems, and enhanced NOx reduction through the patented High Energy Reagent Technology (HERT™) system.

In addition, to enhance the sales of all of its combustion and APC technologies, Fuel Tech today also announced a reorganization of its U.S. and Canadian sales force. Bill Cummings was promoted to Senior Vice President – Air Pollution Control Sales. Reporting to Bill are Volker Rummenhohl, Vice President – Catalyst Technologies, and the U.S. and Canadian APC sales force. Steve Brady was named Senior Vice President – Fuel Chem Sales. Reporting to Steve are Chris Smyrniotis, Vice President – Fuel Chem Technologies, and the U.S. and Canadian FUEL CHEM® sales force.

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Both Bill and Steve will report to John F. Norris Jr., as will Kevin Dougherty, Vice President – Marketing and Business Development. The rest of the Fuel Tech officer team organization remains unchanged.

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 advanced combustion modification techniques - such as low NO_x burners and overfire air systems - and post-combustion NO_x control approaches, including NO_xOUT[®] and HERT[™] SNCR systems as well as systems that incorporate 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 NO_x reduction, with installations on over 525 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 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.

The Company 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.

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