

Solutions

First Commercial Utility Mercury Control System Begins Operation

On January 27, 2006, the nation's first commercial mercury control system on a coal-fired power plant began operation. On this date, We Energies began injecting powdered activated carbon (PAC) into the flue gas stream at their Presque Isle Power Plant near Marquette, MI.

In a venture jointly funded by We Energies and U.S. DOE, the utility installed an activated carbon injection (ACI) system and a pulse-jet fabric filter downstream of the existing hot-side electrostatic precipitators to demonstrate EPRI's TOXECON™ process while burning Powder River Basin (PRB) coal. In addition to commercially demonstrating the long-term feasibility of mercury removal, the project will investigate the capabilities of the newly configured system for trim control of particulate matter, SO₂ and NO_x.

ADA-ES and NORIT Americas supplied the ACI system. In addition, ADA-ES is providing the mercury continuous emis-

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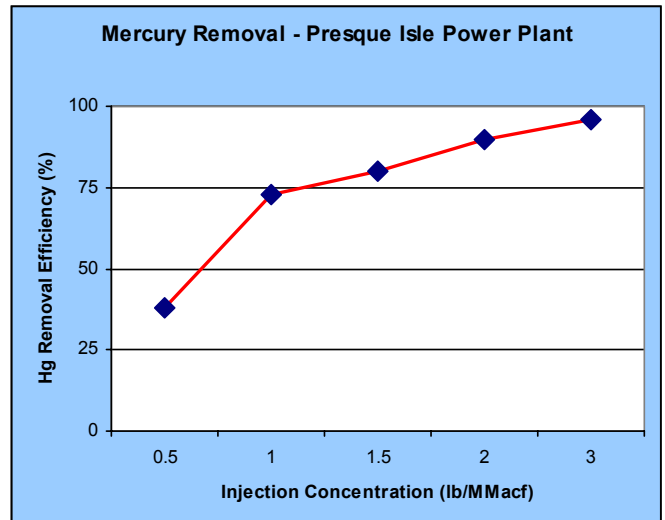
sion monitors (CEMs) to this project and will oversee technology evaluation activities at the site through 2009. DOE is providing its portion of the funding for this venture from its Clean Coal Power Initiative program.

On April 21, We Energies hosted a dignitary-laden celebration and tour of this installation at the Presque Isle plant. At that time they released the mercury removal rates from initial parametric testing.

As can be seen in the graph below, up to 90% mercury removal has been achieved by injecting only two pounds of PAC per million actual cubic feet of flue gas (lb/MMacf).



We Energies' Presque Isle Power Plant, Marquette, MI.



ADA-ES' Stock
 Traded on NASDAQ Closed 5/19/06 at **\$19.21**
 Ticker name: **ADES** Average daily volume **10,930**
 (90 days ending 5/19/06)

ADA-ES' "Guaranteed Mercury Solutions"

In case you've seen our slogan "Guaranteed Mercury Solutions" at trade shows or in our presentations, **YES, we do guarantee mercury emission reductions!**

Did we catch your attention? Read on . . . ADA-ES and NORIT Americas provide powdered activated carbon injection (ACI) and storage systems to reduce mercury emissions from coal-fired power plants; and ADA-ES *guarantees* that the systems will reduce emissions to levels that are below their design limits!

ADA-ES has performed over twenty-five full-scale power plant mercury measurement and control tests in the past five years on a wide variety of plants across the United States. This experience has enabled us to develop the expertise and databases to accurately predict the emissions performance of our mercury control systems on most types of coal and with a wide range of air pollution control configurations. When designing a mercury system for a new customer's plant, we analyze:

- The characteristics of the plant's coal supply
- The temperatures and constituents of the flue gas exiting the boiler
- The particulate control system and SO₂ mitigation systems

Once these factors are carefully studied, ADA-ES is in the position of being able to make a mercury emissions performance guarantee for the system.

Since mid-summer of last year, the ADA-ES/NORIT team has signed contracts for the sale of nine ACI systems to be installed on 4,500 MW of capacity at three existing and four new coal-fired plants. The owners of many of these plants have taken us up on our offer to guarantee the performance of their systems.

If you're not yet quite ready to install a commercial ACI system, our Emission Strategies group provides a number of analytical and strategic consulting services to test, demonstrate, validate and plan your mercury emission reductions. *(See related story on page 3.)*

But if you are ready to install an ACI system, remember:

- With our unmatched experience, ADA-ES is ready to work with utilities in the developing and implementing their mercury and air pollution control strategies and solutions.
- The ADA-ES/NORIT team stands alone among our competitors and is uniquely qualified in our understanding of what is required to make a mercury control project successful.
- ADA-ES provides a *"guaranteed mercury solution"*!

Mercury Control Systems Recently Awarded to ADA-ES/NORIT Team

Location	Coal	Air Pollution Control	MW	New/Retrofit
Midwest	PRB	H-ESP & FF	3 x 90	Retro
Midwest	PRB	SDA & FF	790	New
Midwest	PRB	SDA & FF	575	New
West	PRB	SDA & FF	2 x 350	Retro
West	PRB	SDA & FF	816	New
East	Bitum	C-ESP	2 x 350	Retro
Midwest	PRB	SDA & FF	650	New

Rich Miller Joins ADA-ES as VP, Business Development of Utility Systems

Late last year, ADA-ES geared up to serve its growing mercury control system business by hiring Richard Miller, a recognized expert in responding to the utility industry's needs for air pollution control solutions. As Vice President, Business Development of Utility Systems, a newly created position, Rich is responsible for sales and procurement activities for ADA-ES' turnkey commercial mercury control systems being offered to the power industry.

Rich has more than 29 years of experience in marketing and sales of major air pollution control equipment to the coal-fired power industry, most recently as Vice President, Sales, at Hamon Research-Cottrell (HRC). While at HRC, he was responsible for sales and marketing of fabric filters, electrostatic precipitators and scrubber systems. He is a recognized expert in fabric filtration and has served as Chairman of the Fabric Filter Division for the Institute of Clean Air Companies (ICAC).



When announcing Rich's acceptance of this position, ADA-ES president Mike Durham stated, "We are thrilled about Rich joining our executive team. The market for mercury control technology has begun in earnest . . . His experience in putting new technologies into practice and selling systems to the utility industry will be extremely valuable to ADA-ES and our customers."

DOE/NETL Awards Two Contracts to ADA-ES

The National Energy Technology Laboratory of the U.S. Department of Energy (DOE/NETL) recently awarded twelve contracts for full-scale testing of mercury control technologies—and **ADA-ES won two of them!** The ADA-ES projects—with budgets totaling \$7.5 million (26% of the total \$29 million awarded)—will look at two very different applications of activated carbon injection (ACI):

- A PRB-fueled plant with a spray dryer and fabric filter (the Hardin, Montana project)
- A cyclone boiler with an SCR that burns medium-sulfur, eastern U.S. bituminous coal (the Merrimack, New Hampshire project)

Hardin, Montana Project

ADA-ES is teaming with Rocky Mountain Power Company to determine the mercury removal performance of an ACI system at the utility's Hardin generating station, a new 116-MW coal-fired power plant located near Hardin, Montana.

The ADA-ES team will install an ACI system integrated with new-generation mercury continuous emission monitors (CEMs) for feedback control to optimize sorbent use and costs. The team will analyze potential co-benefits to ACI of the SCR, SDA, and FF systems and will evaluate additives to enhance the mercury oxidation across the SCR. The team will also test the effectiveness of coal blending for reducing mercury emissions.

If successful, the Hardin project will verify that >90% mercury removal can be achieved with sorbents at costs <\$10,000/pound of mercury removed at this location. It should also verify that sorbent injection equipment and mercury CEMs have matured from the research stage and are suitable to be operated successfully by plant personnel.

Merrimack, New Hampshire Project

For the Merrimack project, ADA-ES and Public Service Company of New Hampshire (PSNH) will conduct full-scale field testing of sorbent injection for mercury control in the relatively high, SCR-generated sulfur trioxide (SO₃) flue gas that exists at PSNH's Merrimack Station, Unit 2 (335 MW), located in Bow, New Hampshire.

The primary emphasis of this project is to evaluate the performance of various sorbents injected upstream of the ESP to reduce mercury emissions. In addition it will explore:

- The possible co-benefits of SO₃ mitigation on mercury control
- The performance capabilities of mercury measurement techniques in this challenging flue gas environment
- The impact of ACI on fly ash disposal options

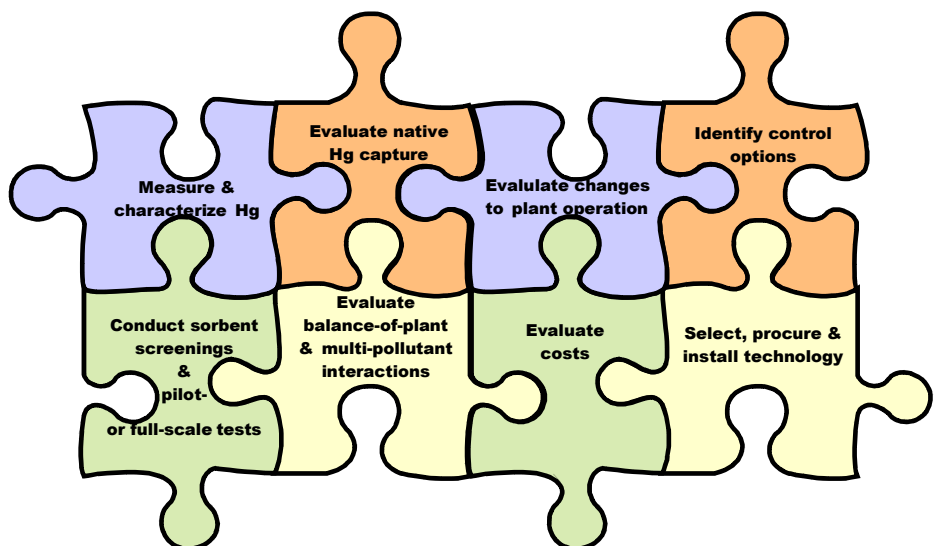
This project, if successful, will prove out new sorbents and co-control strategies that should surpass the performance of existing sorbents and lower the cost of mercury control for eastern U.S. medium-sulfur coals.

Puzzled by the Need to Plan for Mercury Control?

In the year since the Clean Air Mercury Rule (CAMR) was promulgated, and with industrial MACT (Maximum Achievable Control Technology) deadlines approaching, ADA-ES has been receiving a steadily increasing number of requests from utility and industrial companies wanting assistance in understanding and developing their compliance strategies, options and plans. Since mercury is a newly regulated pollutant, companies must often develop information and evaluate technologies with which they are relatively unfamiliar in order to plan for compliance with their CAMR or industrial MACT requirements. These companies are coming to ADA-ES to develop this information, evaluate technologies and validate mercury emission reductions—to help insure successful and effective mercury control programs.

The ADA-ES Emission Strategies group helps utilities and industrial customers measure, characterize, test and analyze mercury emissions, and evaluate and plan for control options. The group draws heav-

ily from ADA-ES' experience and expertise developed through years of research in testing, measuring and controlling mercury emissions. They also draw from the company's work in installing commercial mercury control systems. *(See related story on page 2.)*



Emission Strategies Group Has New Director

Sheila Glesmann, former Director of ADA-ES' Emission Strategies group, traded in her mercury sorbent traps for baby bottles as she and husband Rob welcomed the birth of their first son last November. Sheila still consults to ADA-ES on a part-time basis, but has turned over the reins of the Emission Strategies group to a new Director, Greg Filippelli. Greg has fourteen years of environmental engineering and project management experience in the areas of air quality management, permitting and compliance, as well as environmental process engineering. Prior to joining ADA-ES, Greg worked for five years at National Energy & Gas Transmission (a subsidiary of Pacific Gas and Electric). He held the position of Manager, Air Quality, and was responsible for air quality management functions for a mixed-fuel portfolio of power plants, consisting of over 6,000 MW of capacity originating from seventeen generating facilities located across the U.S.

Also, the Emission Strategies group recently moved to new offices in Columbia, MD, a suburb of Baltimore. Their new address, phone and fax are:

- 10480 Little Patuxent Parkway, Suite 400
Columbia, MD 21044
- Phone: (410) 740-3049 Fax: (410) 740-8704

Rumor has it that there's room for a playpen in the office . . .

Headed Our Way? Let's Get Together!

ADA-ES technical personnel frequently give presentations at utility and environmental conferences and often we have a booth in the exhibit area highlighting our most recent work. We'd love to see you at one of our following "upcoming appearances" — so mark your calendar and come hear the latest or stop by and chat . . .

- ◆ **June 20–23 (New Orleans, LA)**
A&WMA's annual meeting
Sharon Sjostrom panel
- ◆ **July 16–21 (Columbus, OH)**
Reinhold's "APC Roundtable"
Sharon Sjostrom workshop & Rich Miller panel
ADA-ES exhibit booth
- ◆ **August 6–11 (Madison, WI)**
8th Intl. "Mercury as a Global Pollutant" Conference
Sharon Sjostrom paper
- ◆ **August 8–10 (Boston, MA)**
Canaccord Adams "Summer Seminar"
Mike Durham & Mark McKinnies presentation
- ◆ **August 16–18 (Cincinnati, OH)**
PennWell's "COAL-GEN 2006" conference
Dave Muggli paper & ADA-ES exhibit booth
- ◆ **August 28–31 (Baltimore, MD)**
EPA, DOE, EPRI & A&WMA's "Mega Symposium"
Five ADA-ES papers; ADA-ES exhibit booth
- ◆ **October 24–26 (Denver, CO)**
"Western Fuels Symposium"
Papers are under consideration—stay tuned for an update
- ◆ **November 28–30 (Orlando, FL)**
PennWell's "POWER-GEN International 2006"
Papers are under consideration; ADA-ES exhibit booth

ADA-ES Team Additions

ADA-ES continues to expand its professional team to keep up with growing interest in mercury-related emission control solutions. Since the last newsletter, the firm has hired the following twelve new professionals, increasing the firm's size to over 40 folks—most of whom are located in the Littleton, CO, offices:

Team Member/Title	Former Business Affiliation
Andrea Adams <i>Senior Scientist</i>	RTP Environmental; and Versar
Collin Brinkman <i>Senior Design Specialist</i>	Consolidated Steel Services; and Interel Environmental
Brian Donnelly <i>Mgr. Commercial Demonstrations</i>	Earth Sciences Extraction
Greg Filippelli <i>Director, Emission Strategies</i>	National Energy & Gas Transmission (PG&E)
Rob Glesmann <i>Senior Project Engineer</i>	Lurgi Lentjes; and Environmental Elements Corporation
Brandon Hagen <i>Instrumentation Technician</i>	Hazen Research
Chuck Hoelzel <i>Contract Administrator</i>	Kaiser-Hill; and Rocky Flats Environmental Technology Site
Rich Miller <i>VP, Business Development of Utility Systems</i>	Hamon Research-Cottrell
Steve Modrak <i>Instrumentation Technician</i>	Monitor Labs
Marki Morison-Gille <i>Office Administrator</i>	KB Home; and REMAX International
Linda Rathbun <i>Marketing Coordinator</i>	BXG; and RCG/Hagler, Bailly
Robin Stewart <i>Senior Project Engineer</i>	Fay Engineering; and ADA Technologies

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