



**FOR IMMEDIATE RELEASE**

**ADA-ES SUCCESSFULLY DEMONSTRATES NEW REFINED COAL TECHNOLOGY**

**“M45” Facilities Are Being Fabricated to Qualify for Section 45 Tax Credits**

**LITTLETON, CO** – September 22, 2011 – ADA-ES, Inc. (NASDAQ:ADES) (“ADA” or “the Company”) announced today that it successfully demonstrated a new patent-pending technology for producing Refined Coal (“RC”) for use at coal-fired power plants. ADA’s new technology, called “M45”, expands ADA’s market for RC beyond its patented and currently operating CyClean technology, which is limited to cyclone boilers.

During full-scale tests conducted last week, M45 achieved greater than 20% reduction in emissions of NO<sub>x</sub> and greater than 40% reduction in mercury emissions, thus demonstrating that the technology meets the standards necessary to qualify for IRS Section 45 tax credits of over \$6.33 per ton of RC. Based on the successful results of these tests, ADA has commenced fabrication of six M45 facilities, with the possibility of several additional facilities, with the intention of securing locations to demonstrate their operational capability before year-end. The Section 45 tax credits are currently available for 10 years for RC produced by facilities that meet the “placed-in-service” requirements by the end of 2011. It is ADA’s goal to place sufficient M45 facilities in service to have the capacity to produce, in the aggregate, 10 to 20 million tons of RC per year once they become fully operational, which is expected to occur in 2012.

M45 provides opportunities that are in addition to ADA’s CyClean RC technology, which is sold through Clean Coal Solutions, LLC (“Clean Coal”), the Company’s joint venture with an affiliate of NexGen Resources Corporation and an affiliate of The Goldman Sachs Group, Inc. Clean Coal has been operating two RC facilities since July 2010 that generated \$20 million in revenue and \$9 million in operating income for ADA in their first 12 months of operation. As announced earlier this month, Clean Coal has installed seven new systems this year, and expects to install another 13 systems by year-end, for a total of 20 new facilities. Once fully operational, these 20 new facilities are expected to produce an additional 30 million tons of RC per year, from which ADA expects to generate \$1.00 per ton in EBIT after payments to minority partners.

Dr. Michael Durham, President and CEO, stated, “We are excited about the successful demonstration of M45, and the potential for increased revenues and earnings that it creates. I would like to emphasize that this business opportunity, as well as our growth with Clean Coal, are not dependent upon any new environmental or tax regulations. The current 10 year

tax credits do not require any additional approval by Congress, which give us confidence that Clean Coal and M45 can generate long-term cash flows.”

## **About ADA-ES**

ADA-ES is a leader in clean coal technology and the associated specialty chemicals, serving the coal-fueled power plant industry. Our proprietary environmental technologies and specialty chemicals enable power plants to enhance existing air pollution control equipment, minimize mercury, CO<sub>2</sub> and other emissions, maximize capacity, and improve operating efficiencies, to meet the challenges of existing and pending emission control regulations.

With respect to mercury emissions:

- We supply activated carbon (“AC”) injection systems, mercury measurement instrumentation, and related services.
- Under an exclusive development and licensing agreement with Arch Coal, we are developing and commercializing an enhanced Powder River Basin (“PRB”) coal with reduced emissions of mercury and other metals.
- Through our consolidated subsidiary, Clean Coal Solutions, LLC (“CCS”), we provide our patented refined coal technology, CyClean, to enhance combustion of and reduce emissions from burning PRB coals in cyclone boilers.

In addition, we are developing CO<sub>2</sub> emissions technologies under projects funded by the U.S. Department of Energy (“DOE”) and industry participants.

*This press release includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, which provides a "safe harbor" for such statements in certain circumstances. The forward-looking statements include expectations regarding growth in the markets for our RC products and services; the amount and timing of revenues, earnings, operating income, cash flows and other financial measures; timelines for our RC projects; the number of RC facilities we expect to be able to fabricate, install and demonstrate operational status for by the end of 2011, (i.e., whether we will be able to meet the “placed in service” deadlines for such facilities, as required to qualify the RC produced by them for Section 45 tax credits); the amount of refined coal capable of being produced from such facilities; and related matters. These statements are based on current expectations, estimates, projections, beliefs and assumptions of our management. Such statements involve significant risks and uncertainties. Actual events or results could differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to, our ability to satisfactorily resolve outstanding indemnity obligations relating to the recently settled Norit arbitration, as well as other, business related difficulties or complications that could impact our ability to execute on available opportunities, including the ability to obtain working capital needed to operate our businesses and meet our obligations, changes in laws and regulations, prices, economic conditions and market demand, timing and impact of new and pending laws and regulations and any legal challenges to them, the impact of competition, availability, cost of and demand for alternative energy sources and other technologies, technical, start-up and operational difficulties, inability to commercialize our M45 technology on favorable terms, our inability to ramp up our operations to effectively address expected growth in our target markets, our ability to secure locations to demonstrate the operational capability of new M45 facilities by the end of 2011 (as required to qualify the RC produced by such facilities for Section 45 tax credits), our existing business partners’*

*willingness to co-venture the M45 opportunity with us, as well as risks specific to CCS, including failure of its leased facilities to continue to produce coal which qualifies for IRS Section 45 tax credits, termination of the leases for such facilities, decreases in the production of refined coal by the lessee, plant outages, seasonality, inability to obtain permits and the possible failure to be able to build and/or monetize expected new RC facilities to meet the Section 45 tax credit placed-in-service deadline; availability of raw materials and equipment; loss of key personnel; and other factors we discuss in greater detail in our filings with the Securities and Exchange Commission (SEC). You are cautioned not to place undue reliance on such statements and to consult our SEC filings for additional risks and uncertainties that may apply to our business and the ownership of our securities. Our forward-looking statements are presented as of the date made, and we disclaim any duty to update such statements unless required by law to do so.*

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