



**FOR IMMEDIATE RELEASE**

**ADA-ES ANNOUNCES FIRST QUARTER RESULTS**

**LITTLETON, CO – May 11, 2004** – ADA-ES, Inc. (OTCBB:ADES) today announced financial results for the first quarter ended March 31, 2004. See attached tables.

For the first quarter, total revenues increased 22% to \$1,540,000 from \$1,267,000 in the first quarter of 2003. Revenues in the Company's mercury emission control segment rose 99% in the first quarter over the same period last year, which more than offset lower sales in the Company's flue gas conditioning and combustion aids segments. Because of inherently lower margins from time and materials contracts in ADA-ES' mercury emission control segment, and increasing participation in research and development activities, there was a net loss of \$24,000 or \$.01 per diluted share in the first quarter, compared to net income of \$58,000 or \$.02 per diluted share in the same period a year ago.

Dr. Michael Durham, President of ADA-ES, stated, "We continued to see strong growth from our mercury emission control segment, evidenced by a 99% increase in sales over the first quarter of 2003. Clearly this area of the business has become our largest revenue source and we expect that to be the case for the foreseeable future. In this regard, we are currently performing services under three Department of Energy and industry co-funded contracts, which, assuming continued government and industry support, should generate approximately \$5.1 million in revenues for ADA-ES in 2004.

"We recently signed one of these contracts – a \$10 million 5-year agreement with We Energies to provide mercury measurement and control at its Presque Isle plant in Michigan. We are enthusiastic about participating in this \$53 million ground breaking program, which will be the nation's first full-scale installation of the Electric Power Research Institute TOXECON™ process. The project, one of six selected under President Bush's Clean Coal Power Initiative, will provide the design information and operating and performance data necessary to evaluate how the TOXECON™ technology might apply to many of the 1,100 coal-fired boilers facing pending mercury control regulations."

Dr. Durham continued, "In April, we entered into a cooperative agreement with Thermo Electron Corporation, the leading supplier of stack gas monitors to the U.S. power generation market, to develop a continuous emission monitoring system (CEMS) for the measurement of mercury in flue gas. After Thermo designs and manufactures the mercury CEMS, we expect to conduct field validation prior to the product's commercialization, anticipated in April 2005. Importantly, the comprehensive field studies are expected to allow us to evaluate sorbent injection based mercury removal systems under a broad range of flue gas matrices and operating conditions, and, at the same time, demonstrate the suitability of Thermo's mercury CEMS."

Dr. Durham concluded, "We are focused on continuing to capitalize on our unique market position and strategic relationships in the emerging mercury emission control industry. Revenues in the first quarter were somewhat lower than we had anticipated due to delays in certain government and industry supported projects, but we believe these amounts are not lost and will be recognized in the future when the work is performed. Additionally, we are confident that we will meet our previously stated goal to achieve 30% revenue growth in fiscal 2004, producing revenues of approximately \$7.6 million for the year. We look forward to updating you with our progress."

### **Conference Call**

Management will conduct a conference call on Tuesday, May 11, 2004 at 11:00 a.m. ET to discuss the financial results and recent developments. Interested parties may participate in the call by dialing 973-317-5319 – please call in 10 minutes before the call is scheduled to begin, and ask for the ADES call. The conference call will also be broadcast live over the Internet via the Investor Information section of ADA-ES' website at [www.adaes.com](http://www.adaes.com). To listen to the live call please go to the website at least 15 minutes early to register, download and install any necessary audio software. If you are unable to listen live, the conference call will be archived on the Company's web site.

### **About ADA-ES**

Headquartered in Littleton, Colorado, ADA-ES, Inc. develops and implements proprietary environmental technology and specialty chemicals that mitigate the environmental impact from electric power and industrial companies while reducing operating costs.

*This press release may contain forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The United States Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements in this document that are based on information the Company believes reasonable, but such projections and statements involve significant uncertainties. Actual events or results – including predicted revenues and achievement of positive cash flow – could differ materially from those discussed in the forward-looking statements as a result of various factors including but not limited to changing market demand for ADA-ES chemicals and systems and changes in technology, laws or regulations, demand for the company's securities, and other factors discussed in the company's filings with the U.S. Securities and Exchange Commission.*

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**ADA-ES, Inc. and Subsidiary**  
**Consolidated Statements of Operations**  
**(unaudited)**  
**(amounts in thousands, except per share amounts)**

	<b>First Quarter Ended</b>	
	<b>March 31,</b>	
	2004	2003
<b>REVENUES:</b>		
Flue gas conditioning	\$ 421	\$ 600
Mercury emission control	1,021	512
Combustion aids and other	98	155
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Total revenues	1,540	1,267
Costs of Services	846	560
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Gross Margin	694	707
<b>OTHER COSTS AND EXPENSES:</b>		
General and administrative	456	476
Research and development	216	150
Depreciation and amortization	36	24
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Total other costs and expenses	708	650
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<b>OPERATING INCOME (LOSS)</b>	(14)	57
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense	(14)	(1)
Other, net	4	2
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Total other income (expense)	(10)	1
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<b>NET INCOME (LOSS)</b>	\$ (24)	58
	=====	=====
<b>NET INCOME (LOSS) PER COMMON SHARE - ( as adjusted, Basic and Diluted)</b>	\$ (.01)	.02
	=====	=====
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>	3,687	3,355
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See notes accompanying ADA-ES' consolidated financial statements in its Form 10-QSB for March 31, 2004.

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**ADA-ES, Inc. and Subsidiary  
Consolidated Balance Sheets  
(unaudited)  
(amounts in thousands)**

**ASSETS**

	<b>March 31, 2004</b>	<b>December 31, 2003</b>
<b>Current Assets:</b>		
Cash & cash equivalents	\$ 651	\$ 777
Accounts receivable, net of allowance for doubtful accounts	1,139	1,065
Prepaid expenses, inventory and other	190	199
Total current assets	1,980	2,041
<b>Property and Equipment, at cost</b>		
Less accumulated depreciation and amortization	(825)	(791)
Net property and equipment	697	460
<b>Goodwill, net of amortization</b>	2,024	2,024
<b>Intangible Assets, net of amortization</b>	112	112
<b>Deferred Tax Benefit and Other Assets</b>	64	63
<b>Total Assets</b>	\$ 4,877	\$ 4,700

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Current Liabilities:</b>		
Accounts payable	412	162
Accrued expenses	278	214
Current portion long-term debt	115	122
Deferred revenues	116	185
Total current liabilities	921	683
<b>Long-Term Liabilities:</b>		
Note and accrued interest payable to related party	309	305
Notes payable, net of current portion	166	491
Other	56	248
Total long-term liabilities	531	1,044
<b>Stockholders' Equity:</b>		
Common stock, no par value	4,943	4,467
Accumulated deficit	(1,518)	(1,494)
Total stockholders' equity	3,425	2,973
<b>Total Liabilities and Stockholders' Equity</b>	\$ 4,877	\$ 4,700

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-QSB for March 31, 2004.

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