



FOR IMMEDIATE RELEASE

ADA-ES REPORTS STRONG SECOND QUARTER RESULTS

LITTLETON, CO – August 11, 2005 – ADA-ES, Inc. (NASDAQ:ADES) today announced financial results for the second quarter and six months ended June 30, 2005. See attached tables.

Second Quarter Financial Highlights – versus fiscal 2004 first quarter

- Total revenues increased 39% to \$2.5 million.
- Operating income was up 15% to \$62,000.
- Net income rose to \$107,000 or \$0.02 per diluted share from \$41,000 or \$0.01 per diluted share in the same period last year. Net earnings per diluted share were calculated on 30% more shares outstanding due to the successful completion of a one million-share private equity placement in August 2004.

First Half Financial Highlights – versus fiscal 2004 first half

- Total revenues rose 40% to \$4.6 million.
- Operating income nearly tripled to \$117,000.
- Net income increased to \$202,000 or \$0.04 per diluted share from \$17,000. Net earnings per diluted share were calculated on 33% more shares outstanding due to the successful completion of the aforementioned private equity placement.

Dr. Michael Durham, President of ADA-ES, stated, “The key driver of our strong sales levels was our mercury emission control segment. Revenues in this portion of the business were up substantially, by 53% in the second quarter and 55% in the first half, primarily due to increased mercury measurement services. We continue to work with potential utility customers on various full-scale mercury emission control programs, which also contributed to the rise in our mercury emission control revenue. We have participated in four demonstrations thus far in 2005 where we have shown up to a 90% mercury removal rate and have sixteen additional demonstrations planned over the next two years.”

Dr. Durham further stated, “This is a busy and exciting time for the Company as 2005 represents the beginning of the transition from technology development and demonstration to commercial sales. Last week, we announced an important milestone – our first commercial contract. We are supplying activated carbon injection equipment valued at over \$1 million to a new coal-fired power plant being built in the Midwest. We have been extensively involved in bid and proposal activity for the past year and continue to put out a number of new bids. As a result, we expect additional commercial contracts to be awarded this year.”

Dr. Durham concluded, “We continue to move forward with our business strategy to provide environmental technology and specialty chemicals to the power industry. We are experiencing tremendous growth in the mercury control area, which in turn, is enabling the broadening of the Company’s capabilities, intellectual property, and resources to meet the needs in this developing market. Additionally, we have initiated activities with respect to several potential new sources of revenues that may diversify our markets and technology offerings. Based on current contracts and other anticipated work, we expect revenue growth of 20-30% this year. We look forward to updating you on the Company’s performance.”

Conference Call

Management will conduct a conference call on Thursday, August 11, 2005 at 11:00 a.m. ET to discuss the financial results and recent developments. Interested parties may participate in the call by dialing 706-679-3200 – 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. 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 contains 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 revenue growth and award of additional commercial contracts – 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, federal funding, laws or regulations, availability of skilled personnel, 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
Condensed Consolidated Statements of Operations
(unaudited)
(amounts in thousands, except shares and per share amounts)

	Second Quarter Ended June 30,		Six Months Ended June 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUES:				
Mercury emission control	\$ 1,952	\$ 1,278	\$ 3,559	\$ 2,299
Flue gas conditioning	454	387	961	808
Combustion aids and other	68	109	126	207
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Total revenues	2,474	1,774	4,646	3,314
Costs of Services	1,550	975	2,815	1,821
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Gross Profit	924	799	1,831	1,493
OTHER COSTS AND EXPENSES:				
General and administrative	634	440	1,186	896
Research and development	188	263	446	479
Depreciation and amortization	40	42	82	78
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Total other costs and expenses	862	745	1,714	1,453
OPERATING INCOME	62	54	117	40
OTHER INCOME (EXPENSE):				
Interest expense	(1)	(10)	(2)	(24)
Other, net	63	(3)	133	1
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Total other income (expense)	62	(13)	131	(23)
INCOME BEFORE TAX	124	41	248	17
PROVISION FOR TAX EXPENSE	(17)	-	(46)	-
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NET INCOME	107	41	202	17
UNREALIZED GAINS ON CERTAIN INVESTMENTS IN SECURITIES, NET OF TAX	27	-	9	-
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COMPREHENSIVE INCOME	\$ 134	\$ 41	\$ 211	\$ 17
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NET INCOME PER COMMON SHARE - (as adjusted, Basic and Diluted)	\$.02	\$.01	\$.04	\$.00
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WEIGHTED AVERAGE BASIC COMMON SHARES OUTSTANDING:	4,822	3,741	4,820	3,714
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WEIGHTED AVERAGE DILUTED COMMON SHARES OUTSTANDING:	4,939	3,787	4,997	3,759
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See notes accompanying ADA-ES' consolidated financial statements in its Form 10-QSB for June 30, 2005.

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

ASSETS

	June 30, 2005	December 31, 2004
Current Assets:		
Cash & cash equivalents	\$ 2,424	\$ 2,108
Accounts receivable, net of allowance for doubtful accounts	1,363	1,198
Investment in securities	1,048	713
Prepaid expenses, inventory and other	246	248
Total current assets	5,081	4,267
Property and Equipment, at cost		
Property and Equipment, at cost	1,339	1,345
Less accumulated depreciation and amortization	(949)	(896)
Net property and equipment	430	449
Goodwill, net of amortization		
Goodwill, net of amortization	2,024	2,024
Intangible Assets, net of amortization		
Intangible Assets, net of amortization	157	146
Investment in Securities		
Investment in Securities	5,696	5,812
Deferred Tax Benefit and other assets		
Deferred Tax Benefit and other assets	627	382
Total Assets	\$ 13,975	\$ 13,080

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	551	433
Accrued expenses	373	403
Deferred revenues	233	202
Total current liabilities	1,157	1,038
Long-Term Liabilities:		
Deferred compensation and other liabilities	17	32
Total long-term liabilities	17	32
Stockholders' Equity:		
Preferred stock	-	-
Common stock, no par value	13,714	13,134
Accumulated other comprehensive income	43	34
Accumulated deficit	(956)	(1,158)
Total stockholders' equity	12,801	12,010
Total Liabilities and Stockholders' Equity	\$ 13,975	\$ 13,080

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-QSB for June 30, 2005.

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