



**FOR IMMEDIATE RELEASE**

**ADA-ES REPORTS CONTINUED GROWTH IN THIRD QUARTER**

Littleton, CO – November 10, 2005 - ADA-ES, Inc. (NASDAQ:ADES) today announced financial results for the third quarter and nine months ended September 30, 2005. See attached tables.

**Third Quarter Financial Highlights – versus fiscal 2004 third quarter**

- Total revenues increased 10% to \$3.1 million.
- Operating income was up 35% to \$294,000.
- Net income rose 12% to \$248,000 or \$0.05 per diluted share.

**Nine-month Financial Highlights – versus fiscal 2004 first nine months**

- Total revenues rose 26% to \$7.8 million.
- Operating income was up 60% to \$411,000.
- Net income increased 88% to \$450,000 or \$0.09 per diluted share.

Net income reflects tax provisions of \$116,000 and \$162,000 in the third quarter and first nine months of 2005, respectively, versus zero in the comparable periods of 2004.

Dr. Mike Durham, President of ADA-ES, stated, “We achieved steady revenue growth in the quarter despite the comparison to very strong performance in our mercury emission control segment in the third quarter of last year. We are also pleased with the Company’s operating performance, with operating income rising at a much faster rate than revenues in the quarter and year-to-date.”

Dr. Durham continued, “Since our last quarterly results news release, we secured our second and third commercial contracts for mercury control systems, through which we are supplying activated carbon injection equipment each valued at over \$1 million to an existing coal-fired plant and one being built in the Midwest. Additionally, in partnership with NORIT Americas, we are now offering proven mercury sorbents to the coal-fired power industry through long-term supply contracts. The sorbents will be used to capture mercury from flue gas in the new systems. NORIT’s newest commercial product is effective on a number of Western Coals, demonstrating greater than 90% mercury capture. At the same time, the product reduces mercury control costs by a factor of three or more.”

Dr. Durham concluded, “We expect revenue growth of approximately 20% for this year as a whole, based on current contracts and other anticipated work in the fourth quarter. Looking further ahead, our high level of bid and proposal activity suggests additional commercial contracts in 2006. In order to further capitalize on the opportunities being created by the rapidly developing commercial mercury control market, we decided to strengthen the Company’s financial position by raising private equity to supplement cash flow produced by operations. With the proceeds from this recent private placement, we now have over \$20 million of capital available that will afford us a great deal of flexibility to enhance growth and capture further value throughout the various segments of the growing commercial mercury

control market. Areas in which we are currently engaged or are pursuing include engineering services, equipment supply and participation in fulfilling the need for expanded activated carbon production.”

### **Conference Call**

Management will conduct a conference call on Thursday, November 10, 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](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 and the referenced conference call contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which provide a "safe harbor" for such statements in certain circumstances. These statements include the Company’s expectations regarding future revenues or other financial measures, anticipated projects and new contracts, anticipated growth in the market and similar items. Such statements involve significant 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 changing economic conditions and market demand for ADA-ES’ products and services, changes in technology, federal funding, laws or regulations, results of demonstrations of the Company’s and other licensed technologies, operational difficulties, 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)**

	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUES:				
Mercury emission control	\$2,454	\$2,275	\$6,013	\$4,574
Flue gas conditioning	556	472	1,517	1,280
Combustion aids and other	<u>105</u>	<u>94</u>	<u>231</u>	<u>301</u>
Total revenues	3,115	2,841	7,761	6,155
Costs of Services	<u>1,869</u>	<u>1,703</u>	<u>4,684</u>	<u>3,524</u>
Gross Profit	1,246	1,138	3,077	2,631
OTHER COSTS AND EXPENSES:				
General and administrative	687	542	1,873	1,438
Research and development	224	331	670	810
Depreciation and amortization	<u>41</u>	<u>48</u>	<u>123</u>	<u>126</u>
Total other costs and expenses	<u>952</u>	<u>921</u>	<u>2,666</u>	<u>2,374</u>
OPERATING INCOME	294	217	411	257
OTHER INCOME (EXPENSE):				
Interest expense	(1)	(7)	(3)	(31)
Other, net	<u>71</u>	<u>12</u>	<u>204</u>	<u>13</u>
Total other income (expense)	<u>70</u>	<u>5</u>	<u>201</u>	<u>(18)</u>
INCOME BEFORE TAX	364	222	612	239
PROVISION FOR TAX EXPENSE	<u>(116)</u>	<u>-</u>	<u>(162)</u>	<u>-</u>
NET INCOME	\$ 248	\$ 222	\$ 450	\$ 239
UNREALIZED LOSSES ON CERTAIN INVESTMENTS IN SECURITIES, NET OF TAX	<u>(35)</u>	<u>-</u>	<u>(26)</u>	<u>-</u>
COMPREHENSIVE INCOME	<u>\$ 213</u>	<u>\$ 222</u>	<u>\$ 424</u>	<u>\$ 239</u>
NET INCOME PER COMMON SHARE – BASIC AND DILUTED	<u>\$ .05</u>	<u>\$ .05</u>	<u>\$ .09</u>	<u>\$ .06</u>
WEIGHTED AVERAGE BASIC COMMON SHARES OUTSTANDING:	<u>4,819</u>	<u>4,288</u>	<u>4,822</u>	<u>3,905</u>
WEIGHTED AVERAGE DILUTED COMMON SHARES OUTSTANDING:	<u>4,977</u>	<u>4,354</u>	<u>4,998</u>	<u>3,990</u>

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

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

**ASSETS**

	<u>September 30, 2005</u>	<u>December 31, 2004</u>
<b>Current Assets:</b>		
Cash & cash equivalents	\$ 2,563	\$ 2,108
Accounts receivable, net of allowance for doubtful accounts	2,231	1,198
Investment in securities	1,239	713
Prepaid expenses, inventory and other	274	248
Total current assets	<u>6,307</u>	<u>4,267</u>
<b>Property and Equipment, at cost</b>		
Less accumulated depreciation and amortization	(984)	(896)
Net property and equipment	<u>366</u>	<u>449</u>
<b>Goodwill, net of amortization</b>	2,024	2,024
<b>Intangible Assets, net of amortization</b>	155	146
<b>Investment in Securities</b>	5,684	5,812
<b>Deferred Tax Benefit and other assets</b>	<u>640</u>	<u>382</u>
<b>Total Assets</b>	<u><u>\$ 15,176</u></u>	<u><u>\$ 13,080</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Current Liabilities:</b>		
Accounts payable	\$ 937	\$ 433
Accrued expenses	655	403
Deferred revenues	512	202
Total current liabilities	<u>2,104</u>	<u>1,038</u>
<b>Long-Term Liabilities:</b>		
Deferred compensation and other liabilities	10	32
Total long-term liabilities	<u>10</u>	<u>32</u>
<b>Stockholders' Equity:</b>		
Preferred stock	-	-
Common stock, no par value	13,762	13,134
Accumulated other comprehensive income	8	34
Accumulated deficit	(708)	(1,158)
Total stockholders' equity	<u>13,062</u>	<u>12,010</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 15,176</u></u>	<u><u>\$ 13,080</u></u>

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