



FOR IMMEDIATE RELEASE

ADA-ES REPORTS STRONG FIRST QUARTER RESULTS WITH 68% REVENUE INCREASE AND EPS OF \$0.04 VS. \$0.02

Littleton, CO – May 9, 2006 – ADA-ES, Inc. (NASDAQ:ADES) today announced financial results for the first quarter ended March 31, 2006. See attached tables.

First Quarter Financial Highlights – versus fiscal 2005 first quarter

- Total revenues increased 68% to \$3.6 million from \$2.2 million.
- Operating income rose to \$164,000 from \$55,000.
- Net income grew to \$238,000 or \$0.04 per diluted share from \$95,000 or \$0.02 per diluted share in the same period last year. Earnings per diluted share for the first quarter of 2006 were calculated on 16% more shares outstanding than in the first quarter of 2005 due to the successful completion of a 789,089-share private equity placement in October 2005.

Dr. Mike Durham, President of ADA-ES, stated, “We are extremely pleased with our results for the first quarter and our continued progress in our mercury emission control segment, where sales rose 94% driven primarily by the initiation of the market for commercial activated carbon injection (ACI) systems that began last summer.”

Dr. Durham continued, “Thus far in 2006, we have signed contracts for six ACI systems to be delivered in 2006 and 2007, producing a total of nine commercial ACI systems, including one in partnership with a third party. As we have stated previously, based upon negotiations underway, we anticipate entering into contracts for a number of new systems during the balance of this year. Additionally, we expect to begin realizing revenues from commissions on sales of corresponding sorbents to these plants once these systems become operational, which for the first unit is likely to occur in the third quarter of this year.”

Dr. Durham concluded, “Importantly, we continued to achieve substantial operating leverage during the first quarter. Our outlook for the remainder of 2006 remains very positive, and we are optimistic about achieving our goal of approximately 35% revenue growth. We look forward to updating you on ADA-ES’ developments.”

Conference Call

Management will conduct a conference call on Tuesday, May 9, 2006 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 (conference ID # 8826832). 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 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, failure to satisfy performance guarantees, 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)

	First Quarter Ended	
	March 31,	
	2006	2005
REVENUES:		
Mercury emission control	\$ 3,120	\$ 1,607
Flue gas conditioning and other	<u>529</u>	<u>565</u>
Total net revenues	3,649	2,172
Costs of Services		
Mercury emission control	2,019	1,012
Flue gas conditioning and other	<u>252</u>	<u>253</u>
Total cost of services	2,271	1,265
Gross Margin	1,378	907
OTHER COSTS AND EXPENSES:		
General and administrative	852	552
Research and development	304	258
Depreciation and amortization	<u>58</u>	<u>42</u>
Total other costs and expenses	<u>1,214</u>	<u>852</u>
OPERATING INCOME	164	55
OTHER INCOME (EXPENSE):		
Interest and other expense	-	(1)
Interest and other income	<u>194</u>	<u>70</u>
Total other income	<u>194</u>	<u>69</u>
INCOME BEFORE INCOME TAX PROVISION	358	124
DEFERRED INCOME TAX PROVISION	<u>(120)</u>	<u>(29)</u>
NET INCOME	238	95
UNREALIZED GAINS AND (LOSSES) ON CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES, net of tax	<u>17</u>	<u>(18)</u>
COMPREHENSIVE INCOME	\$ <u>255</u>	\$ <u>77</u>
NET INCOME PER COMMON SHARE - (Basic and Diluted)	\$ <u>.04</u>	\$ <u>.02</u>
WEIGHTED AVERAGE BASIC COMMON SHARES OUTSTANDING:	<u>5,616</u>	<u>4,811</u>
WEIGHTED AVERAGE DILUTED COMMON SHARES OUTSTANDING:	<u>5,834</u>	<u>5,029</u>

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-Q for March 31, 2006.

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

<u>ASSETS</u>	<u>March 31, 2006</u>	<u>December 31, 2005</u>
Current Assets:		
Cash & cash equivalents	\$ 14,865	\$ 14,026
Accounts receivable, net of allowance for doubtful accounts	2,797	3,014
Investment in securities	2,001	2,515
Prepaid expenses and other	<u>273</u>	<u>283</u>
Total current assets	<u>19,936</u>	<u>19,838</u>
Property and Equipment, at cost		
Less accumulated depreciation and amortization	<u>(1,068)</u>	<u>(1,013)</u>
Net property and equipment	<u>828</u>	<u>650</u>
Goodwill, net of amortization	2,024	2,024
Intangible Assets, net of amortization	159	156
Investment in Securities	5,494	5,663
Other Assets	<u>723</u>	<u>385</u>
Total Assets	\$ <u>29,164</u>	\$ <u>28,716</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 1,697	\$ 1,706
Accrued payroll and related liabilities	427	516
Accrued expenses	214	138
Deferred revenues	<u>395</u>	<u>460</u>
Total current liabilities	2,733	2,820
Long-Term Liabilities:		
Deferred warranty and other	<u>61</u>	<u>40</u>
Total liabilities	<u>2,794</u>	<u>2,860</u>
Stockholders' Equity:		
Preferred Stock	-	-
Common stock, no par value	26,577	26,318
Accumulated other comprehensive income	50	33
Accumulated deficit	<u>(257)</u>	<u>(495)</u>
Total stockholders' equity	<u>26,370</u>	<u>25,856</u>
Total Liabilities and Stockholders' Equity	\$ <u>29,164</u>	\$ <u>28,716</u>

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-Q for March 31, 2006.

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