



**FOR IMMEDIATE RELEASE**

**ADA-ES AWARDED CONTRACT BY DOE TO DEVELOP IMPROVED ACTIVATED CARBON PRODUCTION PROCESS**

Littleton, CO – August 2, 2006 – ADA-ES, Inc. (NASDAQ: ADES) today announced that it has been awarded a contract by the Department of Energy to develop an improved activated carbon (AC) manufacturing process that is expected to be more cost effective and generate greater production volume than existing processes.

Activated carbon is the key chemical used in ADA-ES' mercury control technology. This is a low capital cost technology in which the largest cost element is the sorbents. Therefore, the commercial sales of the technology should benefit from a decrease in the cost of sorbent production. In addition, the anticipated large scale of the developing utility market for AC is expected to require substantially greater production capacity for activated carbon than currently exists. Currently, activated carbon is manufactured primarily for water treatment applications, with a U.S. market of approximately \$200 million per year. The expected market for mercury control in the power industry could increase the demand to \$1-2 billion per year. ADA-ES' ADESORB™ process could dramatically reduce manufacturing costs and increase capacity of both existing and new activated carbon production facilities.

The ADESORB™ process is based on the pioneering research efforts of Dr. Ramon Bisque, former Chairman of the ADA-ES Board of Directors. The initial \$100,000 of Phase I funding from DOE will be used for laboratory and slipstream testing to fully develop and refine the steps of the ADA-ES manufacturing process. These funds will provide the resources to evaluate the key processing variables. The Phase I project will be conducted over the next six months to define processing parameters that produce an optimized sorbent at the lowest manufacturing cost. DOE Phase II follow-on projects are funded at a level of \$750,000, which, if awarded, would begin mid-2007 to support an effort to scale up the manufacturing process and produce sufficient quantities of the sorbent to use in a full-scale mercury control test at one or more coal-fired power plants.

"This program is very timely. The mercury control marketplace continues to develop at a rapid pace, as evidenced by the contracts covering seven units we have executed so far in 2006," said Dr. Michael Durham, President of ADA-ES. "New mercury emissions regulations being promulgated by individual states and the federal government are driving the growth of this market. Increasing the production of activated carbon to support commercial systems is essential for the market to fully develop."

## **About ADA-ES**

Headquartered in Littleton, Colorado, ADA-ES, Inc. develops and implements proprietary environmental technology and specialty chemicals that mitigate the environmental impacts from electric power and industrial companies, while reducing their 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. Such statements include expected results for the ADESORB™ process, increases in demand for activated carbon production capacity and increases in commercial sales and market demand for mercury control systems, which all 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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