



**FOR IMMEDIATE RELEASE**

**ADA-ES REPORTS FIRST QUARTER RESULTS**

**LITTLETON, CO** – May 10, 2007 – ADA-ES, Inc. (NASDAQ:ADES) today announced financial results for first quarter ended March 31, 2007. See attached tables.

Total revenues for the quarter increased 7% to \$3.9 million as compared to the first quarter of 2006, while sales in the Company's mercury emission control segment rose 16%. General and administrative expenses increased primarily due to higher audit fees and expenses incurred to maintain compliance with public company regulations (\$240,000 increase), increased legal, consulting and outside labor costs (\$138,000 increase), and higher administrative wage costs (\$115,000 increase). As a result, ADA-ES reported an operating loss of \$312,000 compared to operating income of \$164,000 in the first quarter of 2006. The Company incurred a net loss of \$23,000 or \$0.00 per diluted share, versus net income of \$238,000 or \$0.04 per diluted share in the 2006 period.

Dr. Mike Durham, President of ADA-ES, stated, "We achieved steady revenue growth in the quarter, which we expect will lead to higher growth rates in the balance of the year as we begin to recognize significant revenues from sales of activated carbon injection ("ACI") systems for mercury control. Our income continues to reflect that the Company is implementing an aggressive business strategy to leverage our market leading position in mercury control and maximize future earnings. As previously reported, we expect to bid on between 50 and 100 systems during 2007-2008 in response to the rapid growth of the mercury control market, and as a result, we are expanding the number of engineers in our commercial equipment group who are integral in the bid process, and incurring expenses before recording associated revenues."

Dr. Durham continued, "Since reporting 2006 year-end results in mid-March, we have announced several exciting developments in line with our strategy to lead the emerging market for mercury control:

- 1) A Memorandum of Understanding with Calgon Carbon to jointly develop products and services for the control of mercury emissions from coal-fired power plants. We are currently in discussions about the details of the partnership, which will allow us to work together to meet the near and long-term activated carbon demands of our customers in the power industry.
- 2) The selection of sites for permitting and potentially building two \$400 million "Greenfield" plants in Louisiana and North Dakota to produce activated carbon for mercury control. Permit timelines and the overall business environment will dictate which site would be built first, and we will evaluate the volume demands for mercury control on an ongoing basis to determine when additional plants are needed to meet this market.

3) A contract to begin engineering on two ACI systems at a power plant in the mid-west. Thus far in 2007, we have been awarded contracts on a total of seven systems with options on another six.

“We are also making progress on getting clarification on the Section 45 Tax Credit related to our Refined Coal product. As part of the effort, we were invited to present testimony recently at a House Ways and Means Committee Hearing on energy and tax policy, and a Senate Subcommittee hearing on clean coal. This was a great honor for the Company, and recognition of ADA-ES as a leading company in the clean-coal technology arena.”

Dr. Durham concluded, “We remain extremely enthusiastic about the Company, our market position, and our prospects for growth.”

### **Conference Call**

Management will conduct a conference call focusing on the financial results and recent developments at 9:00 a.m. ET on Thursday, May 10, 2007. 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 ADA-ES call (conference ID # 8365482). The conference call will also be webcast live 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 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 website.

### **About ADA-ES**

Headquartered in Littleton, CO, ADA-ES is a leader in clean coal technology and the associated specialty chemicals. The Company develops and implements proprietary environmental technology and specialty chemicals that enable coal-fueled power plants to enhance existing air pollution control equipment, maximize capacity and improve operating efficiencies. Through its largest and fastest-growing segment, Mercury Emission Control, ADA-ES supplies activated carbon injection systems, mercury measurement instrumentation, and related services. Additionally, the Company is implementing plans to produce and supply activated carbon.

*This press release contains 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 related items, including our position in that market. 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, market demand for ADA-ES' products and services, changes in technology, failure to satisfy performance guarantees, availability of federal funding, availability of private financing which will be needed to implement our expansion plans, changes in laws or regulations, results of demonstrations of our own, and other's licensed technologies, operational difficulties, availability of skilled personnel, and other factors discussed in detail in the Company's filings with the U.S. Securities and Exchange Commission.*

### **Contact:**

ADA-ES, Inc.  
Michael D. Durham, Ph.D., MBA, President  
Mark H. McKinnies, CFO  
(303) 734-1727  
[www.adaes.com](http://www.adaes.com)

-or-

Investor Relations Counsel  
The Equity Group Inc.  
[www.theequitygroup.com](http://www.theequitygroup.com)  
Loren G. Mortman (212) 836-9604  
[LMortman@equityny.com](mailto:LMortman@equityny.com)

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

	<b>First Quarter Ended</b>	
	<b>March 31,</b>	
	2007	2006
<b>REVENUES:</b>		
Mercury emission control	\$ 3,629	\$ 3,120
Flue gas conditioning and other	<u>275</u>	<u>529</u>
Total net revenues	3,904	3,649
 Costs of Services		
Mercury emission control	2,180	2,019
Flue gas conditioning and other	<u>135</u>	<u>252</u>
Total cost of services	2,315	2,271
 Gross Margin	1,589	1,378
 <b>OTHER COSTS AND EXPENSES:</b>		
General and administrative	1,461	852
Research and development	356	304
Depreciation and amortization	<u>84</u>	<u>58</u>
Total other costs and expenses	<u>1,901</u>	<u>1,214</u>
 <b>OPERATING INCOME (LOSS)</b>	(312)	164
 <b>OTHER INCOME (EXPENSE):</b>		
Minority interest in loss of consolidated subsidiary	13	-
Interest and other income	<u>266</u>	<u>194</u>
Total other income	<u>279</u>	<u>194</u>
 <b>INCOME (LOSS) BEFORE INCOME TAX PROVISION</b>	(33)	358
 <b>DEFERRED INCOME TAX BENEFIT (PROVISION )</b>	<u>10</u>	<u>(120)</u>
 <b>NET INCOME (LOSS)</b>	(23)	238
 <b>UNREALIZED GAINS ON CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES, net of tax</b>	<u>4</u>	<u>17</u>
 <b>COMPREHENSIVE INCOME (LOSS)</b>	\$ <u>(19)</u>	\$ <u>255</u>
 <b>NET INCOME (LOSS) PER COMMON SHARE - (Basic and Diluted)</b>	\$ <u>.00</u>	\$ <u>.04</u>
 <b>WEIGHTED AVERAGE BASIC COMMON SHARES OUTSTANDING:</b>	<u>5,635</u>	<u>5,616</u>
 <b>WEIGHTED AVERAGE DILUTED COMMON SHARES OUTSTANDING:</b>	<u>5,635</u>	<u>5,834</u>

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-Q for March 31, 2007.

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

	March 31, 2007	December 31, 2006
<u>ASSETS</u>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 15,187	\$ 16,129
Trade receivables, net of allowance for doubtful accounts of \$35 and \$4, respectively	4,127	3,522
Investments in securities	1,930	2,427
Prepaid expenses and other	334	361
Total current assets	21,578	22,439
<b>PROPERTY AND EQUIPMENT, at cost</b>	2,076	1,830
Less accumulated depreciation and amortization	(1,110)	(1,033)
Net property and equipment	966	797
<b>GOODWILL, net of \$1,556 in amortization</b>	2,024	2,024
<b>INTANGIBLE ASSETS, net of \$64 and \$57, respectively, in amortization</b>	242	241
<b>INVESTMENTS IN SECURITIES</b>	5,626	5,322
<b>DEVELOPMENT PROJECTS AND OTHER ASSETS</b>	1,772	931
<b>TOTAL ASSETS</b>	\$ 32,208	\$ 31,754
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 2,787	\$ 2,352
Accrued payroll and related liabilities	519	618
Accrued expenses	133	161
Deferred revenue and other	826	761
Total current liabilities	4,265	3,892
<b>LONG-TERM LIABILITIES:</b>		
Deferred warranty and other	213	184
Total liabilities	4,478	4,076
<b>MINORITY INTEREST</b>	24	37
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock; 50,000,000 shares authorized, none outstanding	-	-
Common stock; no par value, 50,000,000 shares authorized, 5,635,137 and 5,610,267 shares issued and outstanding, respectively	27,676	27,592
Accumulated other comprehensive income	171	167
Accumulated deficit	(141)	(118)
Total stockholders' equity	27,706	27,641
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 32,208	\$ 31,754

See notes accompanying ADA-ES' consolidated financial statements in its Form 10-Q for the quarter ended March 31, 2007.