CONTACT: John P. Graham
Chief Financial Officer
(630) 845-4500

Tracy H. Krumme
Vice President, Investor Relations
(203) 425-9830

FOR IMMEDIATE RELEASE

FUEL TECH ANNOUNCES FUEL CHEM® DEMONSTRATION

WARRENVILLE, Ill., Oct. 10, 2008 – Fuel Tech, Inc. (NASDAQ: FTEK), a world leader in advanced engineering solutions for the optimization of combustion systems in utility and industrial applications, today announced receipt of a FUEL CHEM® demonstration order from a domestic electric utility. The contract represents the first FUEL CHEM order secured from this existing air pollution control client. The demonstration will be conducted on a large, Powder River Basin (PRB) coal-fired boiler, with chemical feed expected to commence during the fourth quarter.

"We are pleased to be implementing our first TIFI™ Targeted In-Furnace Injection™ program for this long-established air pollution control customer," commented John F. Norris Jr., President and Chief Executive Officer. "Our client's use of PRB coals has created challenging slagging problems and these will be addressed with the deployment of a customized FUEL CHEM program. Among the many benefits we anticipate is an improvement in boiler performance, which should enhance unit reliability, reduce downtime and promote greater megawatt production, while reducing the rate of pollution emissions and CO_2."

Mr. Norris concluded, "This demonstration brings to 13 the number of FUEL CHEM purchase orders secured this year, including 11 on coal-fired units. As such, it ties our 2007 record for total new FUEL CHEM announcements."

About Fuel Tech

Fuel Tech is a leading technology company engaged in the worldwide development, commercialization and application of state-of-the-art proprietary technologies for air pollution control, process optimization, and advanced engineering services. These technologies enable

--more--

customers to produce both energy and processed materials in a cost-effective and environmentally sustainable manner.

The Company's nitrogen oxide (NOx) reduction technologies include the NOxOUT®, NOxOUT CASCADE®, NOxOUT ULTRA®, Rich Reagent Injection (RRI) and NOxOUT-SCR® processes. These technologies have established Fuel Tech as a leader in post-combustion NOx control systems, with installations on over 450 units worldwide, where coal, municipal waste, biomass, and other fuels are utilized.

The Company's FUEL CHEM® technology revolves around the unique application of chemicals to improve the efficiency, reliability, fuel flexibility and environmental status of combustion units by controlling slagging, fouling, corrosion, opacity and acid plume, as well as the formation of sulfur trioxide, ammonium bisulfate, particulate matter ($PM_{2.5}$), carbon dioxide and NOx. This technology, in the form of a customizable FUEL CHEM program, is being applied to over 100 combustion units burning a wide variety of fuels including coal, heavy oil, biomass, and municipal waste. A breakdown of the nature of these customer units is posted on the Company's website.

The Company also provides a range of services to help optimize selective catalytic reduction system performance, including catalyst management services and ammonia injection grid tuning. In addition, flow corrective devices and physical and computational modeling services are available to optimize flue gas distribution and mixing in both power plant and industrial applications.

Many of Fuel Tech's products and services rely heavily on the Company's exceptional Computational Fluid Dynamics modeling capabilities, which are enhanced by internally developed, high-end visualization software. These capabilities, coupled with the Company's innovative technologies and multi-disciplined team approach, enable Fuel Tech to provide practical solutions to some of our customers' most challenging problems. For more information, visit Fuel Tech's web site at www.ftek.com.

This press release may contain statements of a forward-looking nature regarding future events. These statements are only predictions and actual events may differ materially. Please refer to documents that Fuel Tech files from time to time with the Securities and Exchange Commission for a discussion of certain factors that could cause actual results to differ materially from those contained in the forward-looking statements.

# # #