

ADA Environmental Solutions



NASDAQ:ADES

A Leader in Clean Coal Technology

December 2007 - Bismarck, North Dakota



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Coal: a Key Energy Resource

- Coal powers 50%+ of U.S. electricity generation
- 1,100+ coal-fueled boilers
- Lowest cost energy source
- Secure energy source – 250-year U.S. reserve

but

- Clean coal technologies are critical to long-term viability and future acceptance



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R&D Support for Technology Development

- 1985-1996: Awarded 50+ R&D contracts exceeding \$40 million
- 2000: Won \$1.7 million DOE flue gas conditioning program
- 2001: Won \$6.8 million DOE mercury control program
- 2002: Won \$2.4 million DOE follow-on mercury control program
- 2003: Won \$8.8 million DOE full-scale mercury control program
- 2004: Won \$9 million contract with We Energies under \$53 million mercury control program (50% funded by the DOE)
- 2004: Won approx. \$5 million contract for 4 additional sites
- 2006: Won \$7.5 million DOE mercury control project for 2 plants
- 2006: NexGen JV may provide up to \$5 million over next three years
- 2006: DOE award for development of ADESORB™, a proprietary process to produce activated carbon
- 2006: \$4 million DOE subcontract for sorbent-based CO₂ control

over \$80 Million for Mercury Control R&D



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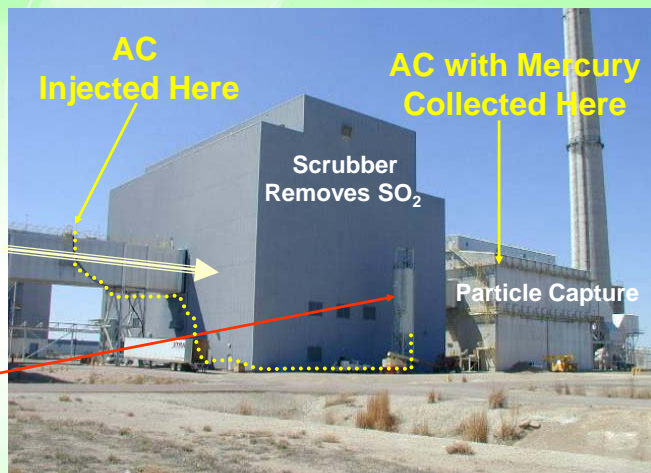
Mercury control in coal-fired power plants

- Powdered activated carbon (PAC) used to clean flue gas
- Hg molecules bond to surface area of PAC
- Demonstrated 90%+ Hg removal
- 13 States have new rules on Hg control with rules pending in another 13 States
- Industry believes a likely case is that a strict Federal rule will be enacted

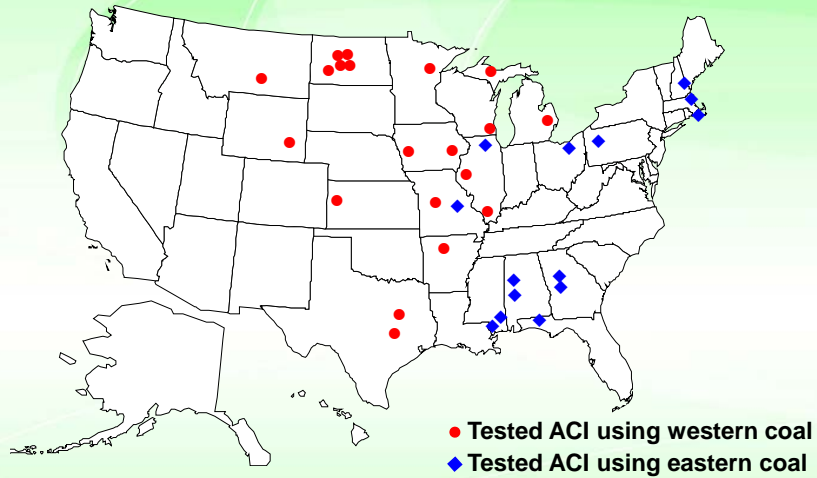


ADA-ES Technology is Low Cost and Simple to Implement

Activated Carbon (AC) Injection for Mercury Control

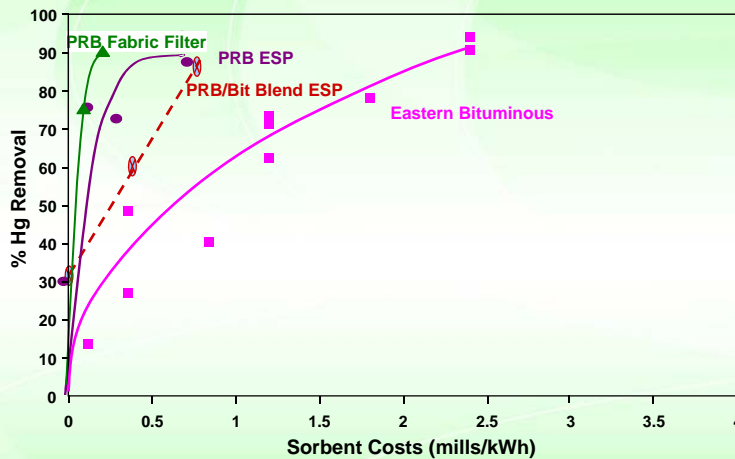


Technology Demonstrations Provide Basis for Bidding and Guaranteeing Hg Control



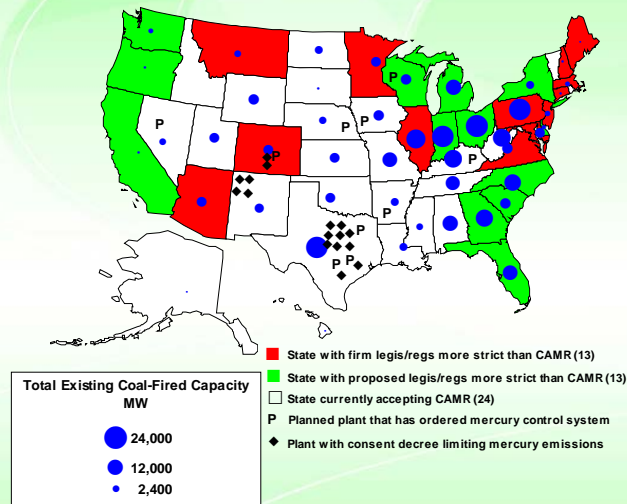
Proven Technology

- Exceeded EPA cost goals by 80%
- Established as “Best Available” and “Maximum Achievable” control technology for mercury



Market Drivers: Regulations for Hg Control

Existing Rules Create 200-400 Million Pound Market



Prospects for New Federal Legislation

**Expected to Create 1 Billion Pound Market
for AC by 2012-2015**

- EPA sued by multiple states and environmental groups re: CAMR
- Ruling from the DC District Court expected this year
- Two multi-pollutant (SO_2 , NO_x , Hg, CO_2) bills introduced to the Senate in April
 - Bipartisan support
- Tighter Hg, NO_x and SO_2 controls are not controversial with focus on CO_2

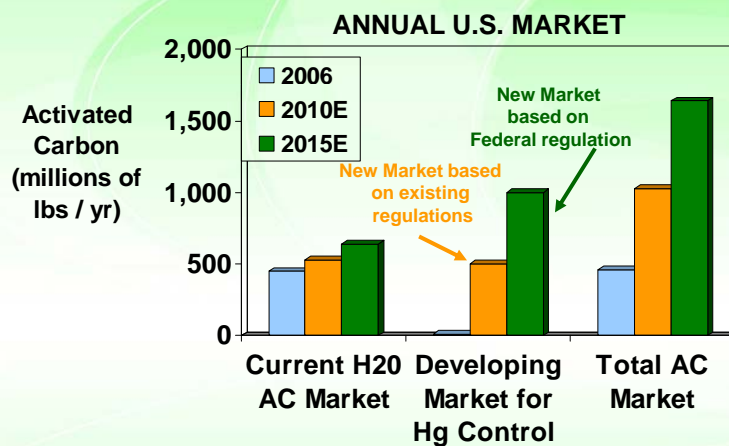


Activated Carbon Injection (ACI) Equipment for Mercury Control



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New Market for Activated Carbon Created for Mercury Control



Significant production gap identified

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Recent Activated Carbon Market Activity

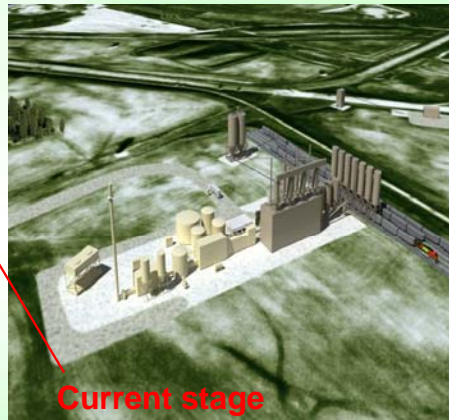
- AC pricing in water treatment has risen 80% compared to last year
- Four utilities have issued RFPs for AC in past 4 months
 - 200 million pounds per year requested
 - 3, 5, and 10 year terms requested
 - All requests for higher-priced Treated Carbon (TAC) for Western coals
 - TAC quoted by AC suppliers at \$1.00/lb and above
 - Current spot \$0.85+



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ADA-ES New Activated Carbon Production

- Largest AC plant(s) in North America
- Capital cost: approx. \$260mm per production line
- Would produce approx. \$100mm in product per year at current prices
- IRR expected to be greater than 25%
- 4-6 year process:
 - Test products
 - Secure lignite feedstock
 - Design plant
 - Select sites
 - **Permits filed and pending**
 - Purchase equipment
 - Permits issued/Construction
- Permitting multiple sites:
goal of AC production by 2010



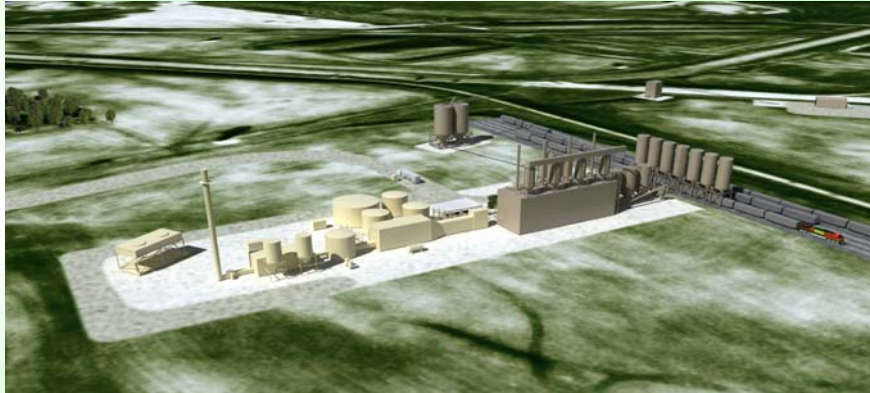
Current stage



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Permitting AC Plants at Three Lignite Mine-Mouth Sites (Two Lines per Site)

1. Adjacent to Red River Mine in NW Louisiana
2. Adjacent to Falkirk Mine near Bismarck, ND
3. Alternate ND site to be announced



Summary

- ADA-ES has been instrumental in creating a new mercury control market
 - Existing rules: 150 ACI systems, 400 mm lbs/yr AC
 - New Federal Rule: 600-700 ACI systems, 1 B lbs/yr AC
- ADA is already a leading provider of engineering services and equipment for the mercury control market
- Building new AC plants for this market
 - Operating permits for 6 production lines expected Q1-2 2008
 - Well positioned to respond to AC demand by Federal rule
- Developing control technology for Greenhouse gases
 - The next big opportunity in Emission Control

