

ADA-ES INC
 Form 424B5
 October 24, 2011
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-171936

The information in this preliminary prospectus supplement and the accompanying prospectus, relating to an effective registration statement under the Securities Act of 1933, is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated October 24, 2011

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 12, 2011)

ADA-ES, INC.

_____ Shares of Common Stock

We are offering _____ shares of our common stock, no par value, in this offering. Our common stock is listed on The NASDAQ Capital Market under the symbol ADES . On October 21, 2011, the last reported sale price of our common stock was \$17.53 per share.

Investing in our common stock involves significant risks. See Risk Factors beginning on page S-7 of this prospectus supplement and page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to ADA-ES (before expenses)	\$	\$

We estimate the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately \$. We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to a total of _____ additional shares of our common stock at the public offering price per share, less the underwriting discounts and commissions, to cover any over-allotments. We anticipate that delivery of the shares will be made through the facilities of the Depository Trust Company on or about October , 2011, subject to customary closing conditions.

Sole Book-Running Manager

LAZARD CAPITAL MARKETS

Co-Lead Manager

Baird

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Co-Manager

JMP Securities

Prospectus supplement dated October , 2011.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the securities we are offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein are part of a shelf registration statement that we filed with the Securities and Exchange Commission. Under the shelf registration process, we may offer from time to time shares of our common stock and other equity securities up to an original aggregate amount of \$140,000,000. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, our securities being offered and other information you should know before investing. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and any related free writing prospectus that we authorized to be delivered to you, as well as the additional information described under Where You Can Find Additional Information on page S-15 of this prospectus supplement and Incorporation of Certain Information by Reference on page S-15 of this prospectus supplement before investing in our securities.

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To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus that we authorized to be distributed to you and the documents incorporated by reference herein and therein. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell and seeking offers to buy shares of our common stock only in jurisdictions where offers and sales are permitted. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and any related free writing prospectus that we have authorized to be delivered to you is accurate only as of their respective dates, regardless of the time of delivery of such documents or of any sale of securities. Our business, financial condition, results of operations and prospects may have changed since those dates. You should not consider this prospectus supplement or the accompanying prospectus to be an offer or solicitation relating to the securities in any jurisdiction in which such an offer or solicitation relating to the securities is not authorized. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus outside the United States. Furthermore, you should not consider this prospectus supplement or the accompanying prospectus to be an offer or solicitation relating to the securities if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

Unless the context requires otherwise, in this prospectus supplement and the accompanying prospectus the terms ADA, the Company, we, us, our and similar names refer to ADA-ES, Inc. and its subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about us, this offering and information appearing elsewhere in this prospectus supplement and in the accompanying prospectus and in the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before investing in shares of our common stock. The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus and incorporated by reference herein and therein. Before you decide to invest in shares of our common stock, to fully understand this offering and its consequences to you, you should carefully read the entire prospectus supplement and the accompanying prospectus carefully, including the risk factors beginning on page S-7 of this prospectus supplement and beginning on page 3 of the accompanying prospectus, and the consolidated financial statements and related notes included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein.

The Company

Incorporated in Colorado in 1997, ADA is a leader in clean coal technology and the associated specialty chemicals, serving the U.S. and Canadian coal-fueled power plant industry. Our proprietary environmental technologies and specialty chemicals enable power plants to enhance existing air pollution control equipment, minimize mercury, CO₂ and other emissions, maximize capacity, and improve operating efficiencies, to meet the challenges of existing and pending emission control regulations. ADA became a stand-alone public company through a spin-off from its previous parent company, Earth Sciences, Inc. in September 2003. Our approach to technology development, implementation and commercialization involves taking technology to full-scale as quickly as we can, and testing and improving the technology under actual power plant operating conditions. The most significant benefit of this method is that we begin working early and closely with power companies to optimize the technology to meet their specific needs. For example, while some other companies develop mercury control technologies in the isolation of a laboratory without feedback from users, we work on full-scale mercury control systems that are installed on plants operated by several of the largest power companies in the United States and Canada. We assist electric utility companies to remain competitive while meeting environmental regulations.

Our major activities include:

the development and marketing of our patented refined coal technology, CyClean, for control of NO_x and mercury, which also qualifies for certain tax credits, through our Clean Coal Solutions, LLC (Clean Coal) joint venture with NexGen Refined Coal, LLC, an affiliate of NexGen Resources Corporation (NexGen), and an affiliate of The Goldman Sachs Group, Inc.,

the development and marketing of our new patent-pending M45 technology for the production of refined coal (RC) for use at coal-fired power plants for control of NO_x and mercury, which also qualifies for certain tax credits, and which complements and expands ADA's market for refined coal beyond the CyClean technology, which is limited to cyclone boilers,

the sale of equipment, field testing and services related to emission control including mercury for coal-fired boilers used in electric generation,

under an exclusive development and licensing agreement with Arch Coal, Inc. (Arch Coal), development and commercialization of an enhanced Powder River Basin coal with reduced emissions of mercury and other metals,

the research and development of carbon dioxide (CO₂) capture technology through contracts supported by the Department of Energy (DOE) and industry participants, and

the sale of flue gas conditioning equipment and chemicals, and other chemicals and technologies for coal-fired boilers.

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The address of our principal executive office is 8100 SouthPark Way, Unit B, Littleton, Colorado 80120, and our telephone number is (303) 734-1727. Our website is www.adaes.com. Information contained on our website is not a part of this or any other prospectus supplement or the accompanying prospectus.

Recent Developments

M45 Update: In September, ADA announced that it had successfully demonstrated a new patent-pending technology for producing refined coal for use at coal-fired plants. ADA's new technology, called M45, complements and expands ADA's market for RC beyond its patented and currently operating CyClean technology, which is limited to cyclone boilers. ADA has commenced fabrication of six M45 facilities with the intention of securing locations to demonstrate their operational capability to meet the placed in service requirements to qualify for tax credits of \$6.33 per ton of RC available over the next ten years.

Refined Coal Update: Clean Coal has installed and operated nine RC systems at utility sites. Clean Coal expects to install and operate another eleven systems by year-end, for a total of 20 systems installed and placed in service in 2011. These facilities must be placed in service by year-end to qualify for tax credits of \$6.33 per ton of RC available over the next ten years. In addition, June 2011 marked the first full year of operation of two Clean Coal facilities that produce RC for four boilers at two power plants in the Midwest, generating approximately \$20 million in revenue and about \$9 million in operating income for ADA. Over the next nine years, these facilities are expected to generate between \$15.0 million to \$20.0 million in revenues per year and \$7.0 to \$9.0 million in annual operating income.

Clean Coal Line of Credit: On September 9, 2011, Clean Coal entered into an amendment to its existing credit agreement with Cobiz Bank pursuant to which the maximum amount Clean Coal can borrow was increased from \$10 million to \$15 million. As of September 12, 2011, the outstanding balance on the line of credit was \$9.4 million and the effective interest rate was 5% per annum. Borrowings under the line of credit are subject to certain financial covenants applicable to Clean Coal.

Norit Settlement: On August 29, 2011, ADA entered into a settlement agreement (the ADA Settlement Agreement) with Norit Americas, Inc. and Norit International N.V. (collectively, Norit) and Norit entered into a separate settlement agreement (together, the Settlement Agreements) with Energy Capital Partners, LLC and its affiliated funds (collectively ECP), and ADA Carbon Solutions, LLC (Carbon Solutions) and certain of its subsidiaries (collectively, the AC JV Entities) as to the Norit Litigation and other litigation and claims among Norit, ECP and the AC JV Entities. The primary litigation took place before an arbitration panel, which rendered an interim award in April, 2011. Under terms of the ADA Settlement Agreement, ADA paid Norit's counsel a lump-sum of \$33 million on August 31, 2011 to be held in escrow until the arbitration panel approved the Settlement Agreements. ADA has also agreed to pay Norit the sum of \$7.5 million over the three-year period commencing on August 29, 2012, payable in three installments without interest of \$2.5 million. The arbitration panel confirmed the terms of the Settlement Agreements on October 18, 2011. In addition, as provided in the arbitration panel's preliminary determination, ADA and the AC JV Entities remain jointly and severally liable for royalties to Norit on certain past and future sales of activated carbon (AC) through mid-2018.

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The Offering

Issuer	ADA-ES, Inc.
Common stock offered by us	shares
Over-allotment option	shares
Common stock to be outstanding immediately after this offering	shares
Use of proceeds	We intend to use the net proceeds from this offering for (i) designing, constructing and placing refined coal facilities into service, (ii) expanding to meet the demands resulting from the expected MACT regulations, (iii) for general working capital purposes, including for satisfying indemnity obligations and (iv) general corporate purposes. See Use of Proceeds on page S-9 of this prospectus supplement.
Risk factors	See Risk Factors beginning on page S-7 of this prospectus supplement and on page 3 of the accompanying prospectus for a discussion of factors you should consider carefully when making a decision to invest in our common stock.
NASDAQ Capital Market symbol	ADES
The number of shares of our common stock to be outstanding immediately after this offering as shown above assumes that all of the shares offered hereby are sold and is based on 7,668,235 shares outstanding as of September 30, 2011, and does not include shares subject to the underwriters over-allotment option and also excludes the following:	

186,740 shares of our common stock issuable upon the exercise of options outstanding at September 30, 2011 under our equity plans; and

216,155 shares of our common stock available as of September 30, 2011, for future issuance under our equity plans, including Company matches under our 401(k) plan.

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RISK FACTORS

In addition to other information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus, you should carefully consider the risks described below and incorporated by reference to our Annual Report on Form 10-K for the year ended December 31, 2010, Part II Item 1A of the Form 10-Q filed for the quarter ended March 31, 2011, Part II Item 1A of the Form 10-Q filed for the quarter ended June 30, 2011 and our current report on Form 8-K dated October 5, 2011, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended (Exchange Act) that are incorporated by reference herein in evaluating our company, our properties and our business before making a decision to invest in the common stock. These risks are not the only ones faced by us. Additional risks not presently known to us or that we currently deem immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement and the accompanying prospectus, and the documents incorporated herein and therein by reference, also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus, and the documents incorporated herein and therein by reference. Please refer to the section entitled Forward-Looking Statements in this prospectus supplement.

Risks Related to this Offering

Management will have broad discretion as to the use of the proceeds of this offering.

We have not designated the amount of net proceeds we will receive from this offering for any particular purpose. Accordingly, our management will have broad discretion as to the application of these net proceeds and could use them for purposes other than those contemplated at the time of this offering. Our shareholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds.

Investors in this offering will pay a much higher price than the book value of our common stock.

You will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering because the price per share of our common stock being offered hereby is substantially higher than the book value per share of our common stock. Based on an assumed public offering price of \$17.53 per share in this offering (the last reported price of our common stock on The NASDAQ Capital Market on October 21, 2011), if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of \$15.49 per share in the net tangible book value of the common stock. See Dilution on page S-10 of this prospectus supplement for a more detailed discussion of the dilution you will incur in this offering.

Future sales of substantial amounts of our common stock could adversely affect the market price of our common stock.

Future sales of substantial amounts of our common stock, or securities convertible or exchangeable into shares of our common stock, into the public market, including shares of our common stock issued upon exercise of options and warrants, or perceptions that those sales could occur, could adversely affect the prevailing market price of our common stock and our ability to raise capital in the future.

Our stock price has historically been volatile.

Stock prices and trading volumes for many clean-tech companies fluctuate widely for a number of reasons, including factors which may be unrelated to their businesses or results of operations such as media coverage, legislative and regulatory measures and the activities of various interest groups or organizations. This market volatility, as well as general domestic or international economic, market and political conditions, could materially and adversely affect the market price of our common stock and the return on your investment.

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Historically, our stock price has been volatile. For example, in the last twelve months, our stock has traded as high as \$24.92 per share and as low as \$4.54 per share. The significant market price fluctuations of our common stock are due to a variety of factors, including:

the demand in the market for our common stock;

the nature of our products and product candidates;

fluctuations in our operating results;

market conditions relating to the clean-tech and emerging energy industries;

announcements concerning regulatory developments, developments with respect to proprietary rights and our collaborations;

comments by securities analysts;

general market conditions;

political developments in the United States; and

the issuance of common stock to partners, vendors or to investors to raise additional capital.

In addition, the stock market is subject to other factors outside our control that can cause extreme price and volume fluctuations. In the third and fourth quarters of 2008, as well as during 2009 and in 2011, broad distress in the financial markets and the economy have resulted in greatly increased market uncertainty and instability in both U.S. and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment have recently contributed to substantial market volatility, and if such market conditions persist, the price of our common stock may fluctuate or decline. Securities class action litigation has often been brought against companies that experience volatility in the market price of their securities. Litigation brought against us could result in substantial costs and a diversion of management's attention and resources, which could adversely affect our business.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this prospectus supplement or incorporated by reference into this prospectus supplement are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor created by the Securities Litigation Reform Act of 1995. We have based these forward-looking statements largely on our expectations and projections about future events and financial trends affecting the financial condition and/or operating results of our business. Words such as anticipates, expects, intends, plans, believes, seeks, estimates, the negative expressions of these words, or similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed or forecasted in any forward-looking statements. The risks and uncertainties include those noted under the heading Risk Factors below, in the filings incorporated herein by reference and in the accompanying prospectus. There are important factors that could cause actual results to be substantially different from the results expressed or implied by these forward-looking statements including, among other things:

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when final Maximum Achievable Control Technology (MACT)- based mercury and other regulations or pollution control requirements become effective and the impact of such regulations;

expected growth and anticipated opportunities in our target markets;

expected supply and demand for our products and services;

continued funding by Congress of our DOE CO2 projects, including industry cost share of such projects;

the effectiveness of our technologies;

expected timing of conducting additional demonstrations of our technology and completing a supply agreement with Arch Coal and the amount of benefit per ton of coal our technology could provide;

the timing of awards of, and work under, our contracts and agreements and their value and their availability;

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timing of construction, installation, meeting placed in service deadlines and commencement of full-time operations and expected production levels at the RC facilities of Clean Coal;

Clean Coal's expected use of its line of credit;

our ability to develop, place into service, generate tax credits under Section 45 of the Internal Revenue Code and profitably sell, lease and/or operate additional RC facilities;

possible changes in the level of our ownership of Carbon Solutions, our joint venture with ECP;

the expected costs, capacity of, timing of full operational capacity and anticipated sales levels at the AC facility (AC Facility) built by ADA Carbon Solutions (Red River), LLC, a wholly-owned subsidiary of Carbon Solutions and the need for additional AC production lines;

the willingness and ability of ECP to continue to fund operations of the AC Facility through contributions and loans to Carbon Solutions and its subsidiaries;

whether the guaranties and commitments the Company has made will be called upon;

timing and amounts of or changes in future revenues, funding for our business and projects, margins, expenses, earnings, dividends, tax rate, cash flow, working capital, liquidity, the value of recorded intangibles and other financial and accounting measures;

the amount of estimated royalties due to Norit;

the materiality of any future adjustments to previously recorded revenue as a result of DOE audits;

who are potential competitors are and who they will be in the future, expected levels of competition in our target markets and whether we have direct competition for our technology;

expected growth in the power industry's interest in and funding for CO2 capture projects;

availability of lease space in the states we do business; and

other factors set forth above under Risk Factors and in the accompanying prospectus, as well as in all filings incorporated by reference into this prospectus supplement.

We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past financial or operating performance is not necessarily a reliable indicator of future performance, and you should not use our historical performance to anticipate results or future period trends.

SELECTED FINANCIAL DATA

Financial data from our filings with the SEC has been incorporated by reference.

USE OF PROCEEDS

We estimate that the net proceeds to us from the assumed sale of 1,250,000 shares of our common stock in this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$17 million (or approximately \$20 million if the underwriters' over-allotment option is exercised in full), based upon an assumed public offering price of \$17.53 per share in this offering (the last reported price of our common stock on The NASDAQ Capital Market on October 21, 2011).

We currently intend to use the net proceeds of this offering for (i) designing, constructing and placing refined coal facilities into service, (ii) expanding to meet the demands resulting from the expected and MACT regulations, (iii) for general working capital purposes, including for satisfying indemnity obligations and (iv) for general corporate purposes. General corporate purposes may include capital expenditures, payment of dividends and any other purposes. While we have estimated the particular uses for the net proceeds of this offering, we have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds from this offering for any purpose, and investors will be relying on the judgment of our management with regard to the use of these net proceeds. See **Risk Factors** **Risks Related to this Offering** Management will have broad discretion as to the use of the proceeds of this offering.

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Pending use of the net proceeds as described above, we intend to invest the net proceeds in money-market funds or U.S. treasuries until we use them for their stated purpose.

DESCRIPTION OF CAPITAL STOCK

In this offering, we are offering _____ shares of our common stock, no par value. We have granted the underwriters an option to purchase up to _____ additional shares of our common stock solely to cover over-allotments, if any. This option is exercisable, in whole or in part, for a period of 30 days from the date of this prospectus supplement. The material terms and provisions of our common stock and each other class of our securities which qualifies or limits our common stock are described under the caption "Description of Our Capital Stock" starting on page 6 of the accompanying prospectus.

DILUTION

If you purchase any of the shares of common stock offered by this prospectus supplement, you will experience dilution to the extent of the difference between the offering price per share of common stock you pay in this offering and the net tangible book value per share of our common stock immediately after this offering. Our unaudited net tangible book value as of June 30, 2011 was approximately \$.5 million, or \$.08 per share of common stock. Net tangible book value per share is equal to our total tangible assets minus total liabilities, all divided by the number of shares of common stock outstanding.

After giving effect to the assumed sale of 1,250,000 shares of common stock in this offering an assumed public offering price of \$17.53 per share, and after deducting the underwriting commissions and our estimated offering expenses, our as adjusted net tangible book value as of June 30, 2011, would have been approximately \$18 million, or approximately \$2.04 per share of common stock. This represents an immediate increase in net tangible book value of approximately \$1.96 per share to existing shareholders and an immediate dilution of approximately \$15.49 per share to new investors. The following table illustrates this calculation on a per share basis:

Assumed Public Offering price per share	\$ 17.53
Net tangible book value per share as of June 30, 2011	\$.08
Increase per share attributable to this offering	\$ 1.96
As adjusted net tangible book value per share after this offering	2.04
Dilution per share to new investors participating in this offering	\$ 15.49

The number of shares of common stock outstanding used for existing shareholders in both the table and calculations above is based on 7,668,235 shares outstanding as of September 30, 2011. This number of shares does not include 187,500 shares of common stock subject to the underwriters' over-allotment option and also excludes:

186,740 shares of our common stock issuable upon the exercise of options outstanding at September 30, 2011 under our equity plans; and

216,155 shares of our common stock available as of September 30, 2011, for future issuance under our equity plans, including Company matches under our 401(k) plan.

Each \$0.50 increase (decrease) in the assumed public offering price of \$17.53 per share would increase (decrease) our as adjusted net tangible book value after this offering by approximately \$.5 million, or approximately \$.06 per share, and the dilution per share to new investors by approximately \$.44 per share, assuming that the number of shares offered by us, as set forth above, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering from the assumed number of shares set forth above. An increase of 100,000 shares in the number of shares offered by us from the assumed number of shares set forth above would increase our as adjusted net tangible book value after this offering by approximately \$1.6 million, or approximately \$.16 per share, and the dilution per share to new investors would be approximately \$.16 per share, assuming that the assumed public offering price remains

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the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a decrease of 100,000 shares in the number of shares offered by us from the assumed number of shares set forth above would decrease our as adjusted net tangible book value after this offering by approximately \$1.6 million, or approximately \$.16 per share, and the dilution per share to new investors would be approximately \$.16 per share, assuming that the assumed public offering price remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The information discussed above is illustrative only and will adjust based on the actual public offering price, the actual number of shares that we offer in this offering, and other terms of this offering determined at pricing.

To the extent that outstanding options are exercised, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below have agreed to purchase, and we have agreed to sell to them, the number of shares of our common stock at the public offering price, less the underwriting discounts and commissions, as set forth on the cover page of this prospectus supplement as indicated below:

Underwriter	Number of Shares
Lazard Capital Markets LLC	
Robert W. Baird & Co. Incorporated	
JMP Securities LLC	

Total:

The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus supplement if any such shares are taken.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters may exercise this option at any time and from time to time during the 30-day period from the date of this prospectus supplement. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriters initially propose to offer the shares of common stock directly to the public at the public offering price listed on the cover page of this prospectus supplement. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the underwriters.

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent, including the absence of any material adverse change in our business and the receipt of customary legal opinions, letters and certificates.

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The following table summarizes the public offering price, underwriting discounts and commissions and proceeds before expenses to us assuming both no exercise and full exercise of the underwriters' option to purchase additional shares:

	Per Share	Without Over-Allotment	Total With Over-Allotment
Public offering price	\$	\$	\$
Underwriting discounts and commissions			
Proceeds, before expenses, to us			

The expenses of the offering, not including the underwriting discounts and commissions, payable by us are estimated to be \$, which includes approximately \$125,000 that we have agreed to reimburse the underwriters for legal fees incurred in connection with this offering.

The relationship between Lazard Frères & Co. LLC and Lazard Capital Markets LLC is governed by a business alliance agreement between their respective parent companies. Pursuant to such agreement, Lazard Frères & Co. LLC referred this offering to Lazard Capital Markets LLC and will receive a referral fee from Lazard Capital Markets LLC in connection therewith; however, such referral fee is not in addition to the fee paid by us to Lazard Capital Markets LLC described above.

Listing on The Nasdaq Capital Market

Our shares of common stock included in the units are listed on The Nasdaq Capital Market under the symbol ADES.

Indemnification

We and the underwriters have agreed to indemnify each other, and we have also agreed to indemnify Lazard Frères & Co. LLC, against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and liabilities arising from breaches of representations and warranties contained in the underwriting agreement. We have also agreed to contribute to payments the underwriters and Lazard Frères & Co. LLC may be required to make in respect of such liabilities.

No Sales of Similar Securities

We and each of our executive officers and directors, subject to certain customary exceptions, including, but not limited to the sale of shares of common stock under 10b5-1 plans, have agreed with the underwriters not to dispose of or hedge any of our shares of common stock or securities convertible into or exercisable or exchangeable for common stock for 90 days after the date of this prospectus supplement without first obtaining the written consent of Lazard Capital Markets LLC. The 90-day lock-up period during which we and our executive officers and directors are restricted from engaging in transactions in our common stock or securities convertible into or exercisable or exchangeable for common stock is subject to extension such that, in the event that either (i) during the last 17 days of the lock-up period, we issue an earnings or financial results release or material news or a material event relating to us occurs, or (ii) prior to the expiration of the lock-up period, we announce that we will release earnings or financial results during the 16-day period beginning on the last day of the lock-up period, then in either case the expiration of the lock-up period will be extended until the expiration of the 18-day period beginning on the issuance of the earnings or financial results release or the occurrence of the material news or material event, as applicable, unless Lazard Capital Markets LLC waives, in writing, such an extension.

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Price Stabilization, Short Positions

In order to facilitate the offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. The underwriters must close out any short position by purchasing shares in the open market. A short position may be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchased in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of our common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of our common stock above independent market levels or prevent or slow a decline in the market price of our common stock. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

A prospectus in electronic format may be made available on websites maintained by the underwriters. The underwriters may agree to allocate a number of shares of common stock to other underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters on the same basis as other allocations.

United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as relevant persons). The shares of common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 or FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us, and

(b) it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

European Economic Area

To the extent that the offer of the common stock is made in any Member State of the European Economic Area that has implemented the Prospectus Directive before the date of publication of a prospectus in relation to the common stock which has been approved by the competent authority in the Member State in accordance with the Prospectus Directive (or, where appropriate, published in accordance with the Prospectus Directive and notified to the competent authority in the Member State in accordance with the Prospectus Directive), the offer (including any offer pursuant to this document) is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require us to publish a prospectus pursuant to the Prospectus Directive.

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In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities,

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts, or

(c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out below. In relation to each Relevant Member State, each purchaser of shares of common stock (other than the underwriters) will be deemed to have represented, acknowledged and agreed that it will not make an offer of shares of common stock to the public in any Relevant Member State, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in the Relevant Member State, make an offer of shares of common stock to the public in that Relevant Member State at any time in any circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that such purchaser agrees that it has not and will not make an offer of any shares of common stock in reliance or purported reliance on Article 3(2)(b) of the Prospectus Directive. For the purposes of this provision, the expression an offer of shares to the public in relation to any shares of common stock in any Relevant Member State has the same meaning as in the preceding paragraph.

Transfer Agent and Registrar

Computershare Investor Services has been appointed as the transfer agent and registrar for our common stock. It is located at 350 Indiana Street, Suite 800, Golden, Colorado 80401, telephone (303) 262-0600. Our common shares are traded on The NASDAQ Capital Market under the symbol ADES.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Schuchat Herzog & Brenman, LLC, Denver, Colorado. Certain matters will be passed upon for the underwriters by Proskauer Rose LLP, New York, New York.

EXPERTS

The consolidated financial statements of ADA-ES, Inc. as of and for the years ended December 31, 2010 and December 31, 2009 appearing in our Annual Reports on Form 10-K for such years have been audited by Ehrhardt Keefe Steiner & Hottman PC, an independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firms as experts in accounting and auditing.

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file reports, proxy statements and other documents with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street NE, Room 1580, Washington, D.C. 20549. You should call 1-800-SEC-0330 for more information on the public reference room. Our SEC filings are also available to you on the SEC's Internet site at www.sec.gov.

This prospectus is part of a registration statement that we filed with the SEC. The registration statement contains more information than this prospectus regarding us and our common stock, including certain exhibits and schedules. You can obtain a copy of the registration statement from the SEC at the address listed above or from the SEC's website.

Our Common Stock is currently traded in the over-the-counter market and is quoted on the NASDAQ Capital Market. Reports, proxy statements and other information filed by the Company therewith can be inspected at the Financial Industry Regulatory Authority, Inc., 1735 K Street NW, Washington, D.C. 20006. Information about us, including our SEC filings, is also available at our Internet site at <http://www.adaes.com>. However, the information on our Internet site is not a part of this prospectus supplement. You should rely only on the information provided in, and incorporated by reference in, this prospectus supplement and the prospectus and the registration statement. We have not authorized anyone else to provide you with different information. Our securities are not being offered in any state where the offer is not permitted. You should assume that the information in this prospectus supplement is accurate only as of the dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement. Information in this prospectus supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus, while information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference into this registration statement and prospectus the documents listed below, and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the SEC on March 28, 2011 and Amendment No. 1 to our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2010, filed with the SEC on July 1, 2011;