

BAILEY DOUGLAS G  
Form 4  
December 29, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BAILEY DOUGLAS G

(Last) (First) (Middle)

C/O FUEL TECH, 695 E. MAIN STREET

(Street)

STAMFORD, CT 06901

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
FUEL TECH, INC. [FTEK]

3. Date of Earliest Transaction (Month/Day/Year)  
12/26/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Deputy Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	12/26/2006		S	2,500 D \$ 25.27	244,292	D	
Common Stock	12/27/2006		S	22,500 D \$ 25	221,792	D	
Common Stock	12/28/2006		S	25,000 D \$ 25	196,792	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. De	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Warrant	\$ 1.75					04/30/1998	04/30/2008	Common	196,792
Common Option	\$ 1.531					07/17/1998	07/17/2008	Common	10,000
Common Option	\$ 2.125					06/28/1999	06/28/2009	Common	10,000
Common Option	\$ 2.344					06/26/2000	06/26/2010	Common	10,000
Common Option	\$ 3.595					06/13/2001	06/13/2011	Common	10,000
Common Option	\$ 6.265					06/16/2002	06/16/2012	Common	10,000
Common Option	\$ 4.195					05/29/2003	05/29/2013	Common	10,000
Common Option	\$ 3.8					12/09/2005	12/09/2013	Common	40,000
Common Option	\$ 4.68					12/07/2006	12/07/2014	Common	15,000
Common Option	\$ 8.46					12/06/2007	12/06/2015	Common	12,500
Common Option	\$ 25.49					12/07/2008	12/07/2016	Common	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

BAILEY DOUGLAS G  
C/O FUEL TECH  
695 E. MAIN STREET  
STAMFORD, CT 06901

X

Deputy Chairman

## Signatures

Douglas G.  
Bailey

12/29/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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