

# NEWS

## FOSTER WHEELER LTD

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### **FOSTER WHEELER ENTERS INTO LICENSE CONTRACT FOR ADVANCED ARCH-FIRED SUPERCRITICAL TECHNOLOGY IN CHINA**

HAMILTON, BERMUDA, June 29, 2006—Foster Wheeler Ltd. (Nasdaq: FWLT) announced today that Foster Wheeler North America Corp., a unit of its Global Power Group, has entered into a contract with Shanghai Boiler Works, Ltd., a unit of Shanghai Electric Corporation, to provide an advanced technology license for arch-fired subcritical and supercritical steam generators. The value of the initial fees will be included in the company's second-quarter 2006 bookings, and ongoing royalty payments will be booked over the fifteen-year agreement period.

Foster Wheeler's leading arch-fired design steam generator technology and overall boiler design "know-how" offers China's growing power market a state-of-the-art solution for firing difficult-to-burn low volatile coals in large-scale utility-size steam generators, with high efficiency and reduced emissions.

In addition to the Chinese market where Shanghai Boiler Works Ltd. will lead the contracting activities, Foster Wheeler and Shanghai Boiler Works Ltd. have agreed to cooperate for projects outside China, with Foster Wheeler providing design packages and other project support.

"The award of this contract further extends the relationship between Foster Wheeler and Shanghai Boiler Works, which dates back over 15 years for projects in China, Asia and other parts of the world," said Raymond J. Milchovich, chairman, president and CEO of Foster Wheeler Ltd. "This contract opens up additional markets for Foster Wheeler in China and also enhances our overall capability and cost-competitiveness for projects outside China. Our two companies each bring complementary strengths: Foster Wheeler has considerable arch-fired experience in China, including the direct sale and license sale of over 40 boilers and 15,000 electric megawatts (MWe) of power, and Shanghai Boiler Works Ltd. is a leading presence in the Chinese power market, having placed over 60,000 MWe of capacity in service over the past several years."

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**Notes to Editors:**

1. Foster Wheeler Ltd. is a global company offering, through its subsidiaries, a broad range of engineering, procurement, construction, manufacturing, project development and management, research and plant operation services. Foster Wheeler serves the refining, upstream oil and gas, LNG and gas-to-liquids, petrochemical, chemicals, power, pharmaceuticals, biotechnology and healthcare industries. The corporation is based in Hamilton, Bermuda, and its operational headquarters are in Clinton, New Jersey, USA. For more information about Foster Wheeler, visit our Web site at [www.fwc.com](http://www.fwc.com).

2. **Safe Harbor Statement**

This news release contains forward-looking statements that are based on management's assumptions, expectations and projections about the Company and the various industries within which the Company operates. These include statements regarding the Company's expectations regarding revenues (including as expressed by its backlog), liquidity, the outcome of litigation and legal proceedings and recoveries from customers for claims, and the costs of current and future asbestos claims, and the amount and timing of related insurance recoveries. Such forward-looking statements by their nature involve a degree of risk and uncertainty. The Company cautions that a variety of factors, including but not limited to the factors described under the heading "Business—Risk Factors of the Business" in the Company's most recent annual report on Form 10-K and the following, could cause the Company's business conditions and results to differ materially from what is contained in forward-looking statements: changes in the rate of economic growth in the United States and other major international economies, changes in investment by the power, oil and gas, pharmaceutical, chemical/petrochemical and environmental industries, changes in the financial condition of customers, changes in regulatory environment, changes in project design or schedules, contract cancellations, changes in estimates made by the Company of costs to complete projects, changes in trade, monetary and fiscal policies worldwide, currency fluctuations, war and/or terrorist attacks on facilities either owned or where equipment or services are or may be provided, outcomes of pending and future litigation, including litigation regarding the company's liability for damages and insurance coverage for asbestos exposure, protection and validity of patents and other intellectual property rights, increasing competition by foreign and domestic companies, compliance with debt covenants, recoverability of claims against customers and others, changes in estimates used in critical accounting policies. Other factors and assumptions not identified above were also involved in the formation of these forward-looking statements and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond the Company's control. You should consider the areas of risk described above in connection with any forward-looking statements that may be made by the Company. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures the Company makes in proxy statements, quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K filed with the Securities and Exchange Commission.

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