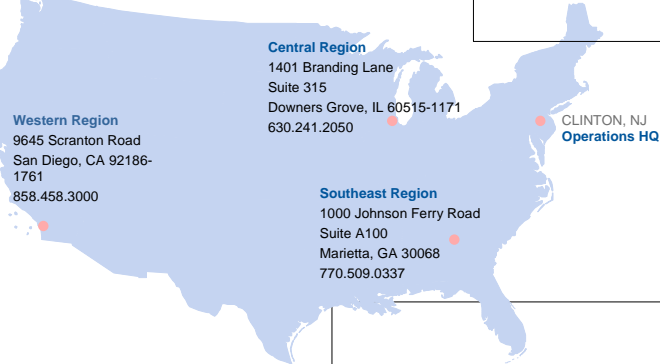




Foster Wheeler Power Group offers a full range of fossil steam-generator equipment and aftermarket products and services to the power, industrial, and waste-to-energy sectors. Our global manufacturing and engineering network can deliver cutting edge products and expertise, quickly and cost competitively with best in-class quality. Our experience comes from our 115 year heritage of designing, servicing, and improving fossil generating equipment. Foster Wheeler has successfully and reliably logged over 200 million hours of operation.

- Circulating Fluid Bed Boilers
- Bubbling Fluid Bed Boilers
- Pulverized Coal Boilers
- Supercritical Steam Boilers
- Oil and Gas Boilers
- Grate Boilers
- SCR and SNCR Systems
- Low NOx Combustion Systems
- Boiler Replacement Parts
- Construction Services
- Plant Commissioning and Training

FW North America Corp.
Northeast Region
 Perryville Corporate Park
 Clinton, NJ 08809-4000
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An Excellent 2005 Fourth Quarter

Two Package Boilers for BASF

In October, Foster Wheeler was awarded a contract for two package boilers by **BASF FINA** Petrochemicals Limited Partnership (BFLP). We will supply two custom-designed, shop-assembled package boilers, each capable of producing 250,000 pounds per hour of high pressure, high temperature steam for BFLP's petrochemicals facility in Port Arthur, Texas. These boilers are among the highest pressure and highest temperature package boilers ever supplied by Foster Wheeler.



Shop assembled package boiler like those installed at BASF.

Biomass-Fired Boilers in MN

Laurentian Energy Authority was next in line with a contract for design and supply of two biomass-fired grate boilers, each capable of producing 135,000 pph of steam. Laurentian Energy Authority is a joint venture

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- Package boilers for **BASF FINA** Petrochemicals
- Biomass-fired grate boilers for **Laurentian Energy**
- Coal-fired boiler for **Dallman Station**
- EPC at **AES Deepwater**
- New *Adjustable* Riffle Distributors
- Message from Management



between two local utilities: Hibbing Public Utilities in Hibbing, Minnesota, and Virginia Public Utilities in Virginia, Minnesota.

The new boilers will fire biomass fuels, including fast-growing trees that are specifically grown to provide fuel for the new boilers in a revolutionary farming scheme. In a closed loop system that will generate no net carbon dioxide to the environment, the new units will generate steam for electricity generation and sale, and will also supply district heating steam.

PC for Dallman Station

Hard work continued to pay off when, in November, Kiewit/Black & Veatch awarded FW a contract to design and supply a 200 MW pulverized coal fired steam generator for **Dallman Generating Station** in Springfield, IL.

The 200 MW unit will be owned and operated by City Water Light & Power of Springfield, IL and equipped with Foster Wheeler's MBF mill, low NO_x Vortex series burners, and an integrated SCR system to minimize NO_x emission.

According to a City Water Light & Power official, the new plant "will be twenty times more environmentally clean than the current Lakeside stations."



AES Deepwater SCR

In December Foster Wheeler received an award to supply and install state-of-the-art combustion and selective catalytic reduction (SCR) systems at **AES Deepwater's** petroleum coke-fired power station in Pasadena, TX.

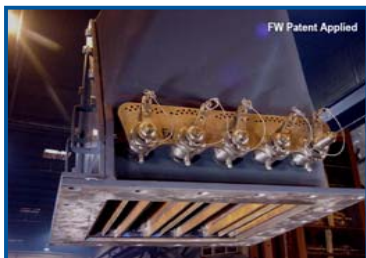
Scheduled to begin operation in the spring of 2007, this will be the first SCR installation in the United States on a boiler firing 100% petroleum coke. Foster Wheeler designed and supplied the original pulverized-coke boiler for the Deepwater plant, which started commercial operations in 1986. FW's EPC role for the SCR installation will include commissioning and testing.

First SCR installation in the U.S. on a boiler firing 100% pet coke



Foster Wheeler is now offering Adjustable Riffle Distributors to help our clients solve their coal flow balancing problems.

- Online positive coal flow control
- No added system resistance
- Little impact on primary air flow
- Can equally divide coal into 2 - 3 coal pipes



How FW's Adjustable Riffle Distributors Work

- Riffles split coal flow into multiple segments, alternatively directing segments to 2-3 coal pipes.
- Lower dampers individually adjust providing flow biasing to each segment.
- Since dampers can bias individual flow segments on-line, coal flow balance can be achieved with minimum pressure drop.

Designed for Easy Installation and Maintenance

- Compatible with common riffle distributors
- Installed without coal pipe modification, and with minimal downtime
- Fits Foster Wheeler ball tube, Riley ball tube, Atrita, and CE Raymond exhaustor mills
- Can be automated
- Can replace all components without riffle removal

Looking for a Solution to Coal Flow Distribution?

Let Foster Wheeler's Riffle Distributor Bring You Peace of Mind.

A Bright Future

"We see Coal re-emerging as a primary fuel choice for global power generation as a result of escalating and volatile oil and gas prices, and increasing concerns about long term fuel supply. Continued technological advances have improved both the environmental performance and efficiency of coal-fired power generation, making coal power an important component in our client's energy strategies"

"Foster Wheeler has been at the forefront of these advances and I am optimistic about the business outlook in solid-fuel power generation. We are strongly positioned to capture these significant growth opportunities by delivering state-of-the-art and cost-effective products and services to meet the new power generation, repowering, and service needs of our industrial and utility customers."

Bernard H. Cherry, Chief Executive Officer,
Global Power Group, Foster Wheeler

Optimizing our business

During 2004, in order to realize the full potential of our talented power teams and manufacturing facilities in the U.S., Europe, and Asia, we consolidated our power businesses into one Global Power Group. In 2005, we saw the first results of this transformation, with best practice and continuous improvement successfully embedded throughout the organization, projects completed which meet or exceed our clients' expectations, key strategic wins and a high level of repeat business.

To support our growing business, we are almost doubling production capacity at our highly successful boiler pressure parts manufacturing facility at Xinhui, China, a Foster Wheeler majority-owned joint venture. This state-of-the-art facility has been producing boiler pressure parts since it was completed in 1993 and has earned a reputation for consistently achieving world-class quality and on-time delivery. This expansion further enhances our ability to offer highly competitive value-added solutions to our clients worldwide.

One of the World's Cleanest Coal-Based Power Plants

Tests at JEA's Northside Generating Station in Jacksonville, Florida, U.S., have further confirmed that the facility, which started up in 2001, is one of the world's cleanest coal-based power plants.

Part of the U.S. DOE's Clean Coal Technology Demonstration Program, two old, inefficient units fuelled by oil or gas, were repowered, or converted, to two new, state-of-the-art 300 megawatt (MW) CFB boilers. This project has demonstrated the operating and environmental performance of our utility-scale CFB technology on a range of high-sulfur coals, and blends of coal and high-sulfur petroleum coke. Winner of Power magazine's Powerplant of the Year Award in 2002, these are currently the largest operating CFBs in the Western Hemisphere.

These results clearly demonstrate that our CFB technology can be used at utility scale to offer electricity producers the flexibility to use a variety of abundant and lower-cost solid fuels, while cutting emissions to a fraction of federal limits. Conventional coal-fired boilers require expensive add-ons to clean pollutants from flue gases after combustion, but CFBs capture most pollutants inside the boiler during combustion.

Visit Us at These Upcoming Events

Electric Power, Atlanta

May 2 – 4

Coal-Gen, Cincinnati

August 16 – 18

Power-Gen International, Orlando

