NEWS
FOSTER WHEELER AG

FOSTER WHEELER ANNOUNCES SUCCESSFUL START-UP OF WORLD'S LARGEST CIRCULATING FLUIDIZED-BED STEAM GENERATOR AT LAGISZA POWER PLANT IN POLAND

Clean-Coal Platform Provides Cost-Effective Energy While Reducing Emissions

ZUG, SWITZERLAND, July 7, 2009—Foster Wheeler AG (Nasdaq: FWLT) announced today that the world's largest circulating fluidized-bed (CFB) steam generator – which is also the world's first supercritical CFB -- has successfully started operating at the Lagisza power plant, owned by Polish utility company Południowy Koncern Energetyczny SA (PKE).

Foster Wheeler's Global Power Group provided the turnkey supply of the boiler island, including engineering and design, erection, civil work, start-up, and commissioning. The new CFB replaces 1960s-era pulverized coal units at the power plant and was built adjacent to the old boilers. Many existing plant systems, including coal handling and water treatment, were renovated for use with the new CFB unit.

The Lagisza CFB produces 460 MWe of electricity at an efficiency level well above that of typical coal plants. The unit incorporates a number of advanced design features such as compact solid separators, INTREX™ super heaters, and low-temperature flue-gas heat recovery that captures valuable heat that would otherwise be lost.

The unit incorporates – for the first time ever in any CFB – highly efficient BENSON vertical-tube supercritical steam technology. BENSON vertical tube is a new steam technology that is more efficient and reliable than conventional supercritical technology prevalent in the market today.

"This CFB represents a culmination of 30 years of design evolution for developing a reliable, fuel-flexible technology for utility scale electricity production," said Jaroslaw Mlonka, president and chief executive officer for the Polish subsidiary of Foster Wheeler's Global Power Group.

"The BENSON vertical tube technology not only lowers the cost of power production but, more importantly, improves the environmental performance of the plant. Specifically, in relation to the older, de-commissioned boilers, the new CFB burns less fuel and produces significantly lower levels of carbon dioxide (CO_2) and other emissions for each megawatt generated," said Pertti Kinnunen, who is executive vice president of engineering and technology for the Finnish subsidiary of Foster Wheeler's Global Power Group and who was responsible for the conceptual design of the boiler in 2003.

CFB technology is a clean-coal platform with a unique low temperature combustion process that cleanly and efficiently burns both traditional fuels and carbon-neutral fuels; typical fuels can include biomass, waste coals, tires and processed waste materials. The CFB's unique multi-fuel capability can utilize opportunity and carbon-neutral fuels to significantly reduce CO_2 emissions in relation to conventional pulverized-coal boilers while improving the economics of power generation.

Unlike conventional steam generators that burn the fuel in a large high-temperature flame, CFB technology does not have burners or a flame within its furnace. The CFB uses fluidization technology to mix and circulate fuel particles with limestone as they burn in a low temperature combustion process. The limestone captures the sulfur oxides as they are formed, while the low burning temperature minimizes the formation of nitrogen oxides. The fuel and limestone particles are recycled over and over back to the process, which results in high efficiency for burning the fuel, capturing pollutants, and for transferring the fuel's heat energy into high-quality steam to produce power.

CFBs are suitable for new power plants as well as the refurbishment of older power plants and often do not require secondary emission control systems. Integration of supercritical once-through boiler technology with CFB technology provides the best combination of features for efficient, cost-effective, and environmentally responsible power production.

Foster Wheeler-designed CFBs have been installed in more than 350 industrial and utility applications around the world, with steadily increasing gains in unit capacity. The company is currently offering even larger (600Mwe and 800Mwe) versions of the CFB.

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company employs over 14,000 talented professionals with specialized expertise dedicated to serving its clients through one of its two primary business groups. The company's Global Engineering and Construction Group designs and constructs leading-edge processing facilities for the upstream oil and gas, LNG and gas-to-liquids, refining, chemicals and petrochemicals, power, environmental, pharmaceuticals, biotechnology and healthcare industries. The company's Global Power Group is a world leader in combustion and steam generation technology that designs, manufactures and erects steam generating and auxiliary equipment for power stations and industrial facilities and also provides a wide range of aftermarket services. The company is based in Zug, Switzerland, and its operational headquarters are in Clinton, New Jersey, USA. For more information about Foster Wheeler, please visit our Web site at www.fwc.com.

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parties against the Company, and changes in estimates used in its 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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