

NEWS

FOSTER WHEELER LTD

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FOSTER WHEELER AWARDED TWO CIRCULATING FLUIDIZED-BED BOILERS FOR TXU'S SANDOW POWER STATION IN TEXAS

HAMILTON, BERMUDA, June 9, 2006--Foster Wheeler Ltd. (Nasdaq: FWLT) announced today that Foster Wheeler North America Corp., an operating unit of its Global Power Group, has been awarded a contract by Bechtel Power Corporation for the design and supply of two circulating fluidized-bed (CFB) boilers.

The contract, valued in excess of \$100 million, calls for Foster Wheeler to supply two 315 megawatt (MWe) CFB boilers for a new solid-fuel power plant that Bechtel Power is designing and constructing for TXU Corp. The new plant will be located at TXU's Sandow Steam Electric Station in Rockdale, Texas. The new CFBs have been designed to use local lignite fuel and will provide high-pressure steam to a single steam reheat turbine. The award will be included in Foster Wheeler's second-quarter 2006 bookings.

"We are very excited about this important award which underscores Bechtel's and TXU's confidence in both our CFB technology and our company. This is another good example of how the environmentally friendly CFB technology can bring high economic value to utility power generation," said James Crumm, president and CEO of Foster Wheeler North America.

Foster Wheeler's scope of services includes the design and supply of the state-of-the-art CFB boilers and selective non-catalytic reduction systems. The advanced boilers will burn low calorific solid fuel cleanly while meeting stringent emissions requirements. Construction at the site is expected to begin in second quarter of 2006, with commercial operation scheduled for summer 2009.

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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.

2. Bechtel Corporation is a global engineering, construction and project management company with more than a century of experience on complex projects in challenging locations. It serves clients in the energy, chemical, oil, gas, environmental, defense, aerospace, telecommunications, infrastructure, mining and smelter markets. Headquartered in San Francisco, California, with over \$18 billion in annual revenues, Bechtel employs approximately 40,000 people at its offices and operations around the world. The company has been the top ranked U.S. contractor 8 years running. For further information, please visit Bechtel's website at www.bechtel.com.
3. TXU Corp., a Dallas-based energy company, manages a portfolio of competitive and regulated energy businesses primarily in Texas. Visit www.txucorp.com for more information about TXU Corp.

4. 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/A 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 our 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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