

NEWS

FOSTER WHEELER LTD

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FOSTER WHEELER TO DESIGN AND SUPPLY TWO CIRCULATING FLUIDIZED-BED BOILER ISLANDS FOR BRAZILIAN ALUMINA REFINERY

HAMILTON, BERMUDA, July 20, 2006 – Foster Wheeler Ltd. (Nasdaq: FWLT) announced today that its Polish subsidiary, Foster Wheeler Energia Polska Sp. z o.o., part of its Global Power Group, has been awarded a contract for the design and supply of two coal-fired circulating fluidized-bed (CFB) boiler islands by Abalco S.A. for the Alumar alumina refinery situated in São Luís in northern Brazil.

Foster Wheeler's contract is valued at approximately US\$46 million, (39 million euros), the majority of which was included in Foster Wheeler's first-quarter 2006 bookings. A small amount, covering pre-engineering work, was included in the Company's fourth-quarter 2005 bookings.

The scope of the contract covers the design and supply of two 280 tonnes per hour CFB boiler islands, including the fuel silos, boiler auxiliaries, ash handling systems, instrumentation, steel structures, and supervision of erection and commissioning. The boiler islands are scheduled for commercial operation in the first quarter of 2008.

"Foster Wheeler is very pleased to be awarded this contract by Abalco," said Raymond J. Milchovich, chairman, president and chief executive officer of Foster Wheeler Ltd. "This marks an important entry into the Brazilian market for our leading-edge CFB technology."

The Alumar refinery is jointly owned by BHP Billiton (36%), Alcan (10%), Alcoa Alumínio (35.1%) and Abalco S.A. (18.9%). Abalco is part of the Alcoa World Alumina and Chemicals (AWAC) enterprise, owned 60% by Alcoa and 40% by Alumina Ltd. The alumina refinery is currently undergoing a major expansion program to increase capacity by 2.1 million tonnes per year to 3.5 million tonnes per year.

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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. 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 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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