

NEWS

FOSTER WHEELER AG

FOSTER WHEELER AWARDED CFB BOILER CONTRACT FOR CO₂ CAPTURE DEVELOPMENT PLANT IN SPAIN

ZUG, SWITZERLAND, March 5, 2010 - Foster Wheeler AG (Nasdaq: FWLT) announced today that a subsidiary of its Global Power Group has been awarded a contract by Fundación Ciudad de la Energía (CIUDEN), an institution created by the Spanish Government, for the design and supply of a circulating fluidized-bed (CFB) unit for testing Foster Wheeler's Flexi-Burn™ carbon capturing CFB technology. This unit will be part of CIUDEN's Integrated Carbon Capture and Sequestration (CCS) Technology Development Plant (TDP) located near Endesa's Compostilla power plant in Ponferrada, Spain.

Foster Wheeler has received a full notice to proceed on this contract. The terms of the agreement were not disclosed, and the contract value will be included in the company's first quarter 2010 bookings. The unit is expected to be operational by the second half of 2011 with testing programs expected to follow shortly thereafter.

Foster Wheeler will design and supply the 30 MWth Flexi-Burn™ CFB test unit and some auxiliary equipment and provide site advisory services for the project.

Flexi-Burn™ is Foster Wheeler's version of carbon capture technology based on oxygen combustion (commonly referred to as "oxy-combustion" or "oxy-fuel") for coal plants. Unlike, pre-combustion (IGCC plant) or post-combustion technologies (amine CO₂ scrubber placed behind conventional coal boilers), oxygen combustion technologies allow the boiler to produce a CO₂ rich flue gas, thus reducing the need for expensive and energy-intensive CO₂ gas separation equipment.

The CIUDEN unit will be designed to test burn a wide range of domestic (anthracite) and imported coals, as well as biomass. One of the objectives of the incorporation of this unit into the TDP is to validate Foster Wheeler's Flexi-Burn™ CFB technology at the required scale before proceeding to a possible full-scale demonstration plant.

"Foster Wheeler has been developing Flexi-burn™ CFB technology for over four years and, in collaboration with CIUDEN's Technological Development Plant, we are one step closer to bringing this promising technology to market," said Eric Svendsen, chief executive officer of Foster Wheeler Energia, S.L. in Madrid. "Developing a practical carbon capture solution for CFB technology would allow our fuel-flexible CFB's to significantly contribute to reducing future world carbon emissions."

The CIUDEN board said it "has full confidence with Foster Wheeler's ability to deliver the best quality CFB boiler. Foster Wheeler has demonstrated its state-of-the-art CFB boiler technology as a world leader, proven in large-scale applications, providing fuel flexibility and environmental compliance and we are pleased to have selected them for the CIUDEN TDP project."

Fundación de la Energía (CIUDEN) is an institution created by the Spanish Government in 2006 to put into practice strategic objectives on CCS. Its main objectives are R&D of efficient, cost effective and reliable technologies through the design, operation and construction of a large-scale integrated Technology Development Plant (TDP) for Capture and Geological Storage of CO₂. CIUDEN is playing an outstanding role in the validation and deployment of CCS technologies worldwide.

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company employs approximately 13,000 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 office is in Geneva, Switzerland. For more information about Foster Wheeler, please visit our Web site at www.fwc.com.

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Safe Harbor Statement

Foster Wheeler AG news releases may contain 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 about revenues (including as expressed by its backlog), its 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 in the Company's most recent Annual Report on Form 10-K, which was filed with the U.S. Securities and Exchange Commission and the following, could cause the Company's business conditions and results to differ materially from what is contained in forward-looking statements: benefits, effects or results of the Company's redomestication or the relocation of our principal executive offices to Geneva, Switzerland; further deterioration in the economic conditions in the United States and other major international economies, changes in investment by the oil and gas, oil refining, chemical/petrochemical and power generation industries, changes in the financial condition of its customers, changes in regulatory environments, 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, compliance with laws and regulations relating to its global operations, currency fluctuations, war and/or terrorist attacks on facilities either owned by the Company or where equipment or services are or may be provided by the Company, interruptions to shipping lanes or other methods of transit, 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 its patents and other intellectual property rights, increasing competition by non-U.S. and U.S. companies, compliance with its debt covenants, recoverability of claims against its customers and others by the Company and claims by third 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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