

NEWS

FOSTER WHEELER AG

FOSTER WHEELER AWARDED CONTRACT FOR TWO PULVERIZED COAL STEAM GENERATORS IN VIETNAM

ZUG, SWITZERLAND, January 5, 2011 - Foster Wheeler AG (Nasdaq: FWLT) announced today that a subsidiary of its Global Power Group signed a contract with Shanghai Boiler Works, Ltd. for cooperation in the design of two pulverized coal (PC) steam generators for the Vinh Tan II Project for Vietnam Electricity (EVN). Shanghai Electric Group Company Limited, the parent company of Shanghai Boiler Works, Ltd., is the engineering, procurement and construction (EPC) contractor for the project which will be located in the Binh Thuan Province of South Vietnam.

Foster Wheeler has received a full notice to proceed on this contract. The terms of the agreement were not disclosed, and the contract value was included in the company's fourth-quarter 2010 bookings. Commercial operation of the new steam generators is scheduled for the fourth quarter of 2013 and second quarter of 2014 respectively.

Foster Wheeler will provide the design review of the two 622 MWe (gross megawatt electric) PC's for Shanghai Boiler Works, Ltd., Foster Wheeler's licensee for PC technology in the region.

"This award continues to further the relationship and complementary strengths between Shanghai Boiler Works and Foster Wheeler, which dates back over 20 years for projects in China, Asia and other parts of the world," said Gary Nedelka, chief executive officer of Foster Wheeler Global Power Group. "We look forward to another successful project between our two companies."

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; the search for a permanent Chief Executive Officer; 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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