

# NEWS

## FOSTER WHEELER LTD

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### **FOSTER WHEELER AND PRAXAIR FORM ALLIANCE TO PURSUE CLEAN COAL DEMONSTRATION PROJECTS**

DANBURY, Conn., and HAMILTON, Bermuda, September 17, 2007 - Praxair, Inc. (NYSE: PX) and Foster Wheeler North America Corp., a US subsidiary of Foster Wheeler Ltd. (Nasdaq: FWLT) have signed a multi-year agreement that calls for the joint pursuit of certain demonstration projects that will incorporate clean coal technologies and integrated oxy-coal combustion systems into coal-fired electric generating plants to facilitate capture and sequestration of carbon dioxide (CO<sub>2</sub>).

The combination of the two companies' technologies and systems expertise would enable a coal-fired generating plant to reduce carbon dioxide stack emissions by more than 90 percent as compared to a conventional coal-fired plant of similar size. Generating plants that burn opportunity fuels such as biomass and petroleum coke in combination with coal would also be able to effect similar reductions in CO<sub>2</sub> emissions. The two companies have agreed to share technical information to ensure successful integration of the combined systems.

Under the agreement, Foster Wheeler will develop and supply steam generators using oxy-coal combustion technology that can be installed in new or existing coal-fired power plants. Oxy-coal combustion creates a highly concentrated stream of CO<sub>2</sub> from a steam generator to facilitate carbon capture and sequestration. Foster Wheeler expects that its first applications of oxy-coal combustion technology would involve the company's circulating fluidized-bed (CFB) steam generators, which have already gained global market acceptance for their efficiency, fuel flexibility, and relatively low emissions. Foster Wheeler expects that oxy-coal combustion technology will be applicable to pulverized-coal (PC) steam generators as well.

Praxair has a long history of advancing oxygen-based combustion and gas-processing technologies that bring substantial productivity and environmental benefits to customers in many industries. For this project, Praxair will provide the upstream oxygen-supply facilities, applying its design, engineering and construction expertise in building large cryogenic air-separation plants that produce the large volumes of oxygen necessary for clean-coal projects. Praxair also will provide the downstream CO<sub>2</sub> capture and gas-processing technologies and equipment, based on its experience as one of the world's leading CO<sub>2</sub> suppliers. Praxair's control systems and integration capabilities also will be a key component of the project.

"We are pleased to be involved with Praxair in development of new technology to address CO<sub>2</sub> emissions from coal-fired power plants," said Gary Nedelka, president and chief executive officer of Foster Wheeler North America Corp. "We have already completed pilot and bench-scale testing of oxy-coal combustion in an R&D environment, and we look forward to accelerating this work under our agreement with Praxair. The application of oxy-coal combustion will allow us to advance both our CFB and PC technologies in the area of carbon capture."

"Working with Foster Wheeler will help accelerate the development of oxy-coal combustion technology in the power-generation field, enabling us to contribute an environmentally friendly way to tap vast coal resources to meet our energy needs," said Charles McConnell, Praxair's vice president, gasification and oxy-coal technology.

The companies expect that their first joint commercial effort will be the previously announced demonstration project being pursued by the Jamestown (New York) Board of Public Utilities. The Jamestown project would be the first of its kind in the United States and potentially an international model for future energy development.

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 upstream oil and gas, LNG and gas-to-liquids, refining, petrochemicals, 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, please visit our Web site at [www.fwc.com](http://www.fwc.com).

Praxair is the largest industrial gases company in North and South America, and one of the largest worldwide, with 2006 sales of \$8.3 billion. The company produces, sells and distributes atmospheric, process and specialty gases, and high-performance surface coatings. Praxair products, services and technologies bring productivity and environmental benefits to a wide variety of industries, including aerospace, chemicals, food and beverage, electronics, energy, healthcare, manufacturing, metals and others. More information on Praxair is available on the Internet at [www.praxair.com](http://www.praxair.com).

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Praxair news releases may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of tax, environmental, home healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of litigation and regulatory agency actions; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from the projections or estimates contained in the forward-looking statements. The company assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A (Risk Factors) in the company's latest Annual Report on Form 10-K filed with the SEC which should be reviewed carefully. Please consider the company's forward-looking statements in light of those risks.

Foster Wheeler 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 regarding 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 Part II, Item 1A “Risk Factors” of the Company’s most recent quarterly report on Form 10-Q 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 oil and gas, oil refining, chemical/petrochemical and power industries, changes in the financial condition of its 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, compliance with laws and regulations relating to our global operations, currency fluctuations, war and/or terrorist attacks on facilities either owned or where equipment or services are or may be provided, interruptions to shipping lanes or other methods of transport, 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 foreign and domestic 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, 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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