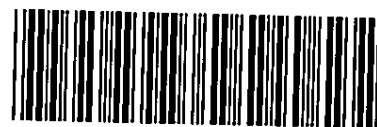


ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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FOSTER WHEELER WORLD SERVICES LIMITED**ANNUAL REPORT & ACCOUNTS 2007**

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FOSTER WHEELER WORLD SERVICES LIMITED

ANNUAL REPORT & ACCOUNTS 2007

Report of the Directors for the year ended 31 December 2007

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2007

1 Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2 Principal activity

The principal activity of the Company is the engineering, procurement and contract management and supervision of major construction projects.

3 Results

The result for the year was a profit of £2,524,404 (2006 £2,606,327) as set out in the profit and loss account on page 4. The credit to cost of sales reflects the release of amounts previously held to cover project risks that were either negotiated away or were not required following successful completion of the project.

4 Directors

The Directors who held office during the year and up to the date of signing the financial statements, were as follows:

L Dupagne
G J Rimer
S J Davies (Resigned 13 November 2007)

5 Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

6 Qualifying third party indemnity provisions

At the date of approval of the financial statements a qualifying third party indemnity provision was in place for the directors.

FOSTER WHEELER WORLD SERVICES LIMITED

ANNUAL REPORT & ACCOUNTS 2007

Report of the Directors for the year ended 31 December 2007 (continued)

7. Statement of disclosure to auditor

So far as each of the Directors is aware, there is no relevant audit information of which the company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the small companies regime of the Companies Act 2006

By order of the board



Shinfield Park
Reading,
Berks RG2 9FW

L Dupagne
Director

04 June 2008

FOSTER WHEELER WORLD SERVICES LIMITED

ANNUAL REPORT & ACCOUNTS 2007

Independent Auditors' report to the members of Foster Wheeler World Services Limited

We have audited the financial statements of Foster Wheeler World Services Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of retained distributable profits, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

05 June 2008

FOSTER WHEELER WORLD SERVICES LIMITED**ANNUAL REPORT & ACCOUNTS 2007*****Profit & Loss Account for the year ended
31 December 2007***

Continuing operations	Notes	2007 £	2006 £
Turnover	2	54,742	3,409,418
Cost of sales		<u>1,743,144</u>	<u>(1,400,573)</u>
Gross profit		1,797,886	2,008,845
Other operating expenses		<u>(28,818)</u>	<u>(158,993)</u>
Operating profit	3	1,769,068	1,849,852
Interest receivable and similar income	4	875,945	732,766
Interest payable and similar charges	5	<u>(16,913)</u>	<u>-</u>
Profit on ordinary activities before taxation		2,628,100	2,582,618
Taxation on profit on ordinary activities	6	<u>(103,696)</u>	<u>23,709</u>
Retained profit for the financial year	11	<u>2,524,404</u>	<u>2,606,327</u>

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

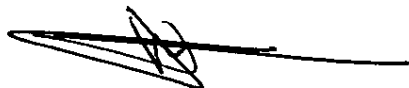
Statement of retained distributable profits

At 1 January 2007	10,643,433
Profit transferred to reserves	<u>2,524,404</u>
At 31 December 2007	<u>13,167,837</u>

FOSTER WHEELER WORLD SERVICES LIMITED**ANNUAL REPORT & ACCOUNTS 2007****Balance Sheet
31 December 2007**

	Notes	2007 £	£	2006 £	£
Current assets					
Work in progress	7	-		37,882	
Debtors	8	12,464,068		13,514,733	
Cash at bank and in hand		<u>1,235,524</u>		<u>1,119,594</u>	
		13,699,592		14,672,209	
Creditors - amounts falling due within one year	9	<u>530,755</u>		<u>4,027,776</u>	
Net current assets			13,168,837		10,644,433
Total assets less current liabilities			<u>13,168,837</u>		<u>10,644,433</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			<u>13,167,837</u>		<u>10,643,433</u>
Total equity shareholders' funds	11		<u>13,168,837</u>		<u>10,644,433</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 04 June 2008 and were signed on its behalf by



L. Dupagne
Director

ANNUAL REPORT & ACCOUNTS 2007

***Notes to the Accounts
for the year ended 31 December 2007***

1 Accounting policies

These accounts have been prepared on the going concern basis and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The following are the main accounting policies of the company, which have been applied consistently.

a) Historical cost convention

These accounts have been prepared under the historical cost convention.

b) Turnover

Turnover, which excludes value added tax, represents the value of work performed and goods and services provided for customers.

c) Accounting basis for determining profits on contracts

The principal accounting basis used for determining profit on long term contracts is the percentage of completion method based on management's estimate of work completed to date and after providing for all known or anticipated future losses. Profit on short term contracts is taken when work is complete.

d) Work in progress

Contract work in progress is stated at net cost less foreseeable losses and progress payments received and receivable and excludes costs and revenues dealt with in the profit and loss account. Cost is defined as direct expenditure and includes relevant overheads based upon the normal level of activity. Any advance and progress payments received in excess of accumulated costs on the contracts concerned are shown as payments on account within current liabilities.

e) Deferred taxation

Deferred tax is provided in full on an undiscounted basis on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in the tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The exchange differences arising are included in the profit and loss account in the period in which they arise.

The results of overseas branches are translated at average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets are dealt with through reserves. All other exchange differences are included in the profit and loss account.

g) Cash flow

The company is a wholly owned subsidiary of Foster Wheeler Ltd (note 13). The company's cash flows are included within the consolidated cash flow statement of this company. Consequently, the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow Statements' from publishing a cash flow statement.

FOSTER WHEELER WORLD SERVICES LIMITED

ANNUAL REPORT & ACCOUNTS 2007

Notes to the Accounts for the year ended 31 December 2007

1 Accounting policies (continued)

h) Transactions with group companies

In accordance with the exemption available under FRS 8 'Related Party Disclosure', transactions with other group undertakings within the Foster Wheeler Ltd group have not been disclosed in these financial statements

2 Turnover

Turnover arose entirely from the provision of engineering and construction services, which all originated in the UK. The geographical analysis of turnover by destination is as follows

	2007 £	2006 £
Asia	<u>54,742</u>	<u>3,409,418</u>
	<u>54,742</u>	<u>3,409,418</u>

3 Operating profit

Operating profit is stated after charging	2007 £	2006 £
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Foreign exchange losses	<u>28,754</u>	<u>158,918</u>
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All other non-contract expenses, including the auditors' remuneration, have been paid by a fellow subsidiary. No recharge has been made to the company (2006: £nil).

None of the Directors received any emoluments for their services to the company (2006: £nil).

The company had no employees during the year (2006: nil).

4. Interest receivable and similar income

	2007 £	2006 £
Bank interest	62,375	41,268
Group companies	<u>813,570</u>	<u>691,498</u>
	<u>875,945</u>	<u>732,766</u>

Interest is charged on intercompany loans at rates not less than 0.5% (2006: not less than 0.5%) above the Bank of Scotland base rate. The loans are unsecured and repayable on demand.

5 Interest payable and similar charges

	2007 £	2006 £
Group companies	<u>16,913</u>	<u>-</u>
	<u>16,913</u>	<u>-</u>

Interest is charged on intercompany loans at rates not less than 0.5% (2006: not less than 0.5%) above the Bank of Scotland base rate. The loans are unsecured and repayable on demand.

FOSTER WHEELER WORLD SERVICES LIMITED**ANNUAL REPORT & ACCOUNTS 2007****Notes to the Accounts
for the year ended 31 December 2007****6 Taxation on profit on ordinary activities**

	2007 £	2006 £
UK corporation tax at 30% (2006 30%)		
Current year charge	42,987	-
Under/(over) provision in respect of prior years	59,151	(113,961)
Foreign tax	1,558	90,252
Total tax charge/(credit) on profit on ordinary activities	103,696	(23,709)

The tax assessed for the year is lower (2006 lower) than the standard 30% rate of corporation tax in the UK (2006 30%) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	2,628,100	2,582,618
Profit on ordinary activities multiplied by standard rate of corporation tax in UK - 30% (2006 30%)	788,430	774,785
Net disallowable expenditure	874	-
Under/(over) provision in respect of prior years	59,151	(113,961)
Group relief received at no charge	(744,759)	(684,533)
Total current tax charge/(credit)	103,696	(23,709)

There is no recognised or unrecognised deferred tax asset/liability at 31 December 2007 (2006 £nil)

Factors affecting future tax charges

The standard rate of corporation tax in the UK changes to 28% with effect from 1 April 2008

7. Work in progress

	2007 £	2006 £
Long term work in progress	-	37,882

8 Debtors

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	150,253	510,269
Amounts owed by group undertakings	12,313,815	12,993,476
Prepayments and accrued income	-	10,988
	12,464,068	13,514,733

9 Creditors - amounts falling due within one year

	2007 £	2006 £
Trade creditors	-	3,106
Amounts owed to group undertakings	450,432	2,126,705
Corporation tax	75,354	22,597
Accruals and deferred income	4,844	55,468
Accrued contract costs	125	1,819,900
	530,755	4,027,776

FOSTER WHEELER WORLD SERVICES LIMITED

ANNUAL REPORT & ACCOUNTS 2007**Notes to the Accounts
for the year ended 31 December 2007****10 Called up share capital**

	2007 £	2006 £
Authorised, issued, called up and fully paid		
1,000 ordinary £1 shares (2006 1,000 shares)	<u>1,000</u>	<u>1,000</u>

11 Reconciliation of movements in equity shareholders' funds

	2007 £	2006 £
Retained profit for the financial year	<u>2,524,404</u>	<u>2,606,327</u>
Net increase in equity shareholders' funds	2,524,404	2,606,327
Opening equity shareholders' funds	<u>10,644,433</u>	<u>8,038,106</u>
Closing equity shareholders' funds	<u>13,168,837</u>	<u>10,644,433</u>

12 Contract obligations

In the ordinary course of business the company enters into contracts providing for assessment of damages for non-performance or delays in completion. The directors believe that no significant liability exists which is in excess of amounts provided in the accounts.

13. Immediate and ultimate parent companies and controlling party

The immediate parent undertaking and parent of the smallest group of which the Company is a member and for which group accounts are prepared is Foster Wheeler Limited, which is incorporated in the United Kingdom. Copies of the group accounts of Foster Wheeler Limited may be obtained from Shinfield Park, Reading, Berkshire RG2 9FW.

The ultimate parent company and controlling party is Foster Wheeler Ltd, which is incorporated in Bermuda and is the largest company into which these accounts are consolidated. Copies of the consolidated financial statements of Foster Wheeler Ltd may be obtained from Clarendon House, 2 Church Street, Hamilton HMCX, Bermuda.