

WILLBROS GROUP INC

Form 424B5

November 15, 2007

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-147123

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Security(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock (\$0.05 par value)(3)	7,906,250	\$36.37	\$287,550,313	\$8,828
Preferred Share Purchase Rights(3)	(3)	(3)	(3)	(3)

- (1) Includes shares of common stock issuable upon exercise of the underwriter's over-allotment option to purchase additional common stock.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act of 1933, as amended, based on the average of the high and low sales prices of the common stock on November 14, 2007.
- (3) Each share of Common Stock registered hereunder includes an associated Preferred Share Purchase Right pursuant to the Rights Agreement, dated April 1, 1999, with Mellon Investor Services LLC, as Rights Agent.

PROSPECTUS SUPPLEMENT
(To Prospectus dated November 2, 2007)

6,875,000 Shares

WILLBROS GROUP, INC.**Common Stock**

We are offering 6,875,000 shares of our common stock to be sold in this offering.

Our common stock is traded on the New York Stock Exchange under the symbol **WG**. On November 14, 2007, the last reported sale price of our common stock on the New York Stock Exchange was \$35.66 per share.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of material risks of investing in our common stock in **Risk factors beginning on page S-16.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	\$ 34.00	\$ 233,750,000
Underwriting discounts and commissions	\$ 1.70	\$ 11,687,500
Proceeds, before expenses, to us	\$ 32.30	\$ 222,062,500

The underwriters may also purchase up to an additional 1,031,250 shares of our common stock at the public offering price, less the underwriting discounts and commissions payable by us, to cover over-allotments, if any, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be \$13,440,625, and our total proceeds, before expenses, will be \$255,371,875.

The underwriters are offering the shares of our common stock as set forth under **Underwriting**. Delivery of the shares of common stock will be made on or about November 20, 2007.

Joint Book-Running Managers

UBS Investment Bank

Credit Suisse

Calyon Securities (USA) Inc.

Bear, Stearns & Co. Inc.

D. A. Davidson & Co.

Natixis Bleichroeder Inc.

November 14, 2007

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You should rely only on the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to give you different or additional information. You should not assume that the information in this prospectus supplement and accompanying prospectus is accurate as of any date after their respective dates.

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Prospectus supplement summary

This summary highlights selected information contained elsewhere in or incorporated by reference in this prospectus supplement and accompanying prospectus and may not contain all of the information that is important to you. This prospectus supplement and the accompanying prospectus include information about the shares we are offering as well as information regarding our business and detailed financial data. You should read this prospectus supplement and the accompanying prospectus in their entirety, including Risk factors , and the information incorporated by reference in this prospectus supplement and the accompanying prospectus. In this prospectus supplement, unless the context otherwise requires, the terms Willbros , we , us and the Company refer to Willbros Group, Inc. and its predecessors and subsidiaries; the term InServ refers to Integrated Service Company LLC, a company we agreed to acquire pursuant to a share purchase agreement dated October 31, 2007, a transaction which we refer to as the InServ acquisition.

OUR COMPANY

We are a provider of services primarily to the high growth global energy infrastructure market. In particular, we are a leading service provider to the hydrocarbon pipeline market, having performed work in 59 countries and constructed over 200,000 kilometers of pipelines, which we believe positions us in the top tier of pipeline contractors in the world. We offer a wide range of services to our customers, including engineering, project management, construction services and specialty services, such as operations and maintenance, each of which we offer discretely or in combination as a fully integrated offering (which we refer to as EPC).

We offer clients full asset lifecycle services and in some cases we provide the entire scope of services for a project, from front-end engineering and design through procurement, construction, commissioning and ongoing facility operations and maintenance. While our capabilities extend from upstream sources to downstream distribution, our primary end market is the global onshore midstream energy market. In North America, where we currently have over 90 percent of our backlog, our projects include major cross-country and intrastate pipelines that transport natural gas, crude oil and petroleum products; gas gathering systems; gas processing systems; oil and gas production facilities; and modular processing facilities. The balance of our backlog is for projects providing similar services in select overseas locations. Now in our one hundredth year, we serve major natural gas, petroleum and power companies and government entities worldwide.

On October 31, 2007, we entered into a share purchase agreement pursuant to which we agreed to acquire all of the outstanding equity interests of InServ, a Tulsa, Oklahoma based company, for approximately \$225 million. With the acquisition of InServ, we will significantly expand our service offering to the downstream market providing integrated solutions for turnaround, maintenance and capital projects for the hydrocarbon processing and petrochemical industries. We believe that the growth in the market addressed by InServ is attributable to numerous factors, including:

- Ø continued strength in maintenance, repair and overhaul, and capital spending;
- Ø a need to upgrade or convert existing refineries to facilitate a shift to heavier and more sour crude streams, particularly from the Canadian oil sands;
- Ø an increasing emphasis on safety;
- Ø a decline in the number of operating refineries over the past 15 years, combined with an aging refinery infrastructure, averaging over 30 years in service, is resulting in higher ongoing refinery utilization rates requiring

increasing maintenance and expansion expenditures; and

Ø an increasing level of outsourcing of refinery services as producers focus on core operations.

For a more detailed discussion of the InServ acquisition, see Pending acquisition.

We believe our existing end markets are in the midst of a prolonged period of significant growth. A February 2007 *Oil & Gas Journal* survey indicates approximately 67,000 miles of new pipeline are

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proposed to be placed in service globally over the next decade, with North America representing the largest opportunity with over 26,000 miles of planned pipeline construction. Based on data from Douglas-Westwood, an industry consultant, this infrastructure build-out is estimated to require expenditures of approximately \$180 billion globally with approximately \$43 billion of that amount to be dedicated to North America over the period from 2008 to 2012. We believe that the North American energy infrastructure market is poised for a multi-year expansion, driven by the need to replace and upgrade an aging infrastructure as well as develop additional infrastructure to bring energy from new sources to market. The rapid development of new energy supplies in the Canadian oil sands and new basins in the United States, such as the Rocky Mountains, the Barnett Shale and the Fayetteville Shale, requires transportation resources not addressed by existing infrastructure. For example, according to the National Energy Board (Canada), capital expenditures on new bitumen production and processing facilities are expected to exceed Cdn\$100 billion through 2015. We believe these strong industry fundamentals will contribute to continued strong demand for our services in the future as synthetic crude oil production levels are expected to triple over the same time frame. This processing capacity expansion will in turn require significant investment in energy transportation infrastructure.

As of October 14, 2007, we have identified over \$12.4 billion in qualified prospects in North America and other select international locations, including \$3.0 billion of projects for which we either have bids pending or in preparation. We are currently deploying the majority of our resources to North America due to the significant opportunity and favorable risk-adjusted return profile of this region. In July 2007, we acquired Midwest Management (1987) Ltd. (Midwest), expanding our existing capabilities in the attractive Canadian market with cross-country pipeline construction services. In addition, we also expect that the international markets will continue to offer attractive opportunities as new energy infrastructure developments are contemplated in North Africa (Algeria and Libya) and the Middle East (Oman, Saudi Arabia and the United Arab Emirates). We have a successful history of operating in these regions, which we believe represent favorable markets to pursue due to their growth prospects and relative stability. We believe we are also well-positioned to take advantage of additional international opportunities when they present a compelling risk-adjusted return comparable to that of the North American market.

Given our strong reputation in the industry and favorable competitive environment, we have been successful in driving significant backlog growth primarily consisting of negotiated contracts, which typically carry more favorable terms compared to competitively bid contracts. We have booked a near record backlog in North America, which we believe is currently one of the most attractive markets in the world for our services. As of September 30, 2007, our backlog for continuing operations of \$1.1 billion represented an increase of 82.5 percent as compared to December 31, 2006. We have also successfully re-balanced our contract portfolio during the first nine months of 2007 to lower-risk cost-reimbursable work, which represents 75 percent of backlog at September 30, 2007 versus 45 percent at December 31, 2006. New orders taken, net of cancellations, in the first nine months of 2007 of \$1.1 billion represented an increase of 27 percent over the prior year period, and include significant construction projects such as the SouthEast Supply Header project for Spectra Energy, the Mid-Continent Express Project for Kinder Morgan and the Ft. McMurray Area pipeline project for TransCanada, the first major pipeline construction contract awarded to our Midwest business since it was acquired in July 2007.

With the sale of our Nigerian business in February 2007, we exited all international markets with a significantly elevated risk profile. In doing so, we redeployed approximately \$40.0 million of the sale proceeds to focus on the more attractive market in North America. Our ongoing discussions with potential customers regarding pipeline and station construction projects in North America and recent contract awards, coupled with the increase in engineering engagements, reinforce our belief that our ability to obtain improved terms and conditions and better pricing will continue throughout the next several years.

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**BACKLOG BY GEOGRAPHY
AT SEPTEMBER 30, 2007 \$1.1BN**

**BACKLOG⁽¹⁾ BY CONTRACT TYPE
(in billions)**

(1) Backlog of Willbros continuing operations; dollar figures represent backlog at the end of each period.

We provide services to our customers through three segments:

- Ø **Engineering.** We specialize in providing engineering services, from feasibility studies to detailed design work, to assist clients in conceptualizing, evaluating, designing and managing the construction or expansion of pipelines, compressor stations, pump stations, fuel storage facilities, field gathering facilities and production facilities.
- Ø **Construction.** Our construction expertise includes systems, personnel and equipment to construct and replace large-diameter cross-country pipelines; fabricate engineered structures, process modules and facilities; and construct oil and gas production facilities, pump stations, flow stations, gas compressor stations, gas processing facilities and other related facilities. We also provide certain specialty services to increase our equipment and personnel utilization.
- Ø **Engineering, procurement and construction.** Our fully integrated EPC services offering includes the full range of engineering, procurement, construction and project management services to provide end-to-end total project solutions to our customers.

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An overview of the various services we provide and our locations, employees and backlog as of September 30, 2007 is presented below:

	Engineering Services	Construction Services	EPC Services
<i>Services Provided:</i>	Project management	Cross-country onshore pipelines	Turnkey EPC arrangements incorporating some or all of our engineering & construction services
	Feasibility studies Conceptual engineering & detailed design	Pump, compressor and flow stations	
	Route/site selection	Fabrication	
	Construction management	Highway, rail and river crossings	
	Material procurement	Valve stations	
	Commissioning/startup assistance	Pipeline rehabilitation and requalification	
	Facilities operations	Gas processing plants	
	Field services (surveying, right-of-way acquisition)	Production facilities Specialty services	
<i>Locations:</i>	Salt Lake City, UT Tulsa, OK Kansas City, MO	Houston, TX Edmonton, AB Ft. McMurray, AB Muscat, Oman	Project specific
<i>Employees:</i>	322	3,641	170
<i>Backlog (in millions):</i>	\$89.5	\$883.4	\$126.0

We execute our projects utilizing a large, well-maintained fleet of owned and leased construction, transportation and support equipment. We also regularly rent pipeline construction equipment from specialized rental operators to supplement our owned or leased equipment in periods of high activity. Our equipment fleet is divided into units of equipment, which we call spreads, which are typically capable of constructing 50 to 75 miles of large diameter

pipeline in a three- to four-month period. A spread includes numerous individual units of a particular equipment category, including: pipe layers, excavators, automatic welding units, bulldozers, heavy trucks, crew trucks, as well as other critical equipment. In 2006 and the first nine months of 2007, expenditures for capital equipment were \$12.3 million and \$23.4 million, respectively. Given the expected expansion of our project activity in North America over the next three years, we anticipate significantly expanding our equipment fleet to take advantage of the attractive economic returns of utilizing owned-equipment on cost-reimbursable projects, where ownership costs are less than prevailing rental rates. We are able, under the terms of these contracts, to utilize prevailing rental rates as the basis for our costs and fixed fees on the project. Expansion of our capital equipment base will also increase our ability to secure and execute additional projects. We expect to acquire approximately \$50 million of construction equipment in the next 12 months.

OUR HISTORY

We have a rich history that traces back to the early days of the oil and gas infrastructure business in the United States and abroad in the early 1900s. We trace our roots to the original construction business of Williams Brothers Company which was founded in 1908. We have been employed by more than 400 clients to carry out work in 59 countries. Since 1908, we have constructed over 200,000 kilometers of hydrocarbon pipelines, which we believe positions us in the top tier of pipeline contractors in the world. We have completed many of the landmark pipeline construction projects, including the Big Inch and

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Little Big Inch War Emergency Pipelines (1942-44), the Mid-America Pipeline (1960), the TransNiger Pipeline (1962-64), the Trans-Ecuadorian Pipeline (1970-72), the northernmost portion of the Trans-Alaska Pipeline System (1974-76), the All-American Pipeline System (1984-86), Colombia's Alto Magdalena Pipeline System (1989-90), a portion of the Pacific Gas Transmission System expansion (1992-93), and through a joint venture led by a subsidiary of ours, the Chad-Cameroon Pipeline (2000-03).

PENDING INSERV ACQUISITION

InServ

On October 31, 2007, we entered into a share purchase agreement pursuant to which we agreed to acquire all of the outstanding equity interests in InServ. The aggregate purchase price of the InServ acquisition is approximately \$225 million, of which \$202.5 million will be paid in cash and the balance paid in Willbros common stock. The purchase price for the InServ acquisition is subject to a possible increase or reduction in the event that InServ's working capital at the closing date is more or less than a specified amount.

InServ is an integrated, full-service specialty contractor providing construction, turnaround, repair and maintenance services to the downstream energy infrastructure market, which consists primarily of refineries and petrochemical facilities. InServ's core competencies include turnkey project execution through program management and engineering, procurement and construction services, which complement our EPC service offerings in the midstream market. InServ is one of the four major contractors in the US that provides services for the overhaul of high-utilization fluid catalytic cracking units, the primary gasoline-producing unit in refineries. These catalytic cracking units, which operate continuously for long periods of time, are typically overhauled on a three- to five-year cycle. InServ also provides similar turnaround services for other refinery process units as well as specialty services associated with welding, piping and process heaters. InServ has performed projects for 60 of the 149 operating refineries in the United States, providing a range of services to customers including Valero, ChevronTexaco, Marathon, ExxonMobil, BP and ConocoPhillips.

The majority of InServ's service offerings are comprised of six primary activities: construction, construction and turnaround services, field services, manufacturing, tank and turnkey project services. Additionally, InServ manufactures specialty components for refineries and petrochemical plants which require high levels of expertise, such as heater coils, alloy piping and other components.

InServ is led by a highly experienced management team with an average of over 30 years of industry experience. InServ provides a single source offering to customers and self performs a majority of the work it contracts, which is critical to customers operating and maintaining large capital investments in refineries and other processing plants. The large capital investments and the inherent risks in processing hydrocarbons in the plants and refineries which InServ operates demand date- and cost-certain project completion, as well as high work quality and safe operations. InServ also provides numerous ancillary services, including tank services, safety services and heater services.

Since its founding in 1994, InServ has experienced rapid and profitable growth. For the nine months ended September 30, 2007, InServ generated revenue and operating income of \$253.8 million and \$22.3 million, respectively. For the five years ended December 31, 2006, InServ's revenue and operating income grew at a compound annual rate of 25.3 percent and 45.5 percent, respectively. Since its inception, InServ has experienced strong growth and is in the midst of a market with strong fundamental drivers including aging infrastructure combined with capacity constraints, increased emphasis on preventive maintenance, substantial emphasis on safety, record oil prices and demand for hydrocarbon derivatives. These positive market drivers have contributed to a substantial increase in InServ's backlog to \$210.5 million as of September 30, 2007, a 33.0 percent increase in backlog over December 31, 2006. An industry survey completed by *Hydrocarbon Processing* magazine anticipated over \$17 billion will be spent

in the United States on capital and maintenance projects in the refining and petrochemical sectors in 2007. Over \$8 billion of this anticipated spending is expected to be in the

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petrochemical sector, an end market which represents a growth opportunity for InServ. We also believe growth opportunities in these markets are driven by a shift to heavier and more sour crude streams and greater outsourcing of refinery services as producers increasingly focus on core operations. InServ also benefits from the shift to more favorable contract terms and conditions as represented by the fact that over 75 percent of its current contract backlog is cost-reimbursable.

Rationale for the InServ acquisition

Complementary service offerings. The addition of InServ will add new service lines to our business, many of which are sold to current customers of Willbros. As a result, we will be able to offer existing Willbros and InServ clients a more complete range of services. For example, the tank services and EPC offerings of InServ are complementary to the service offerings of Willbros and afford growth opportunities in both the midstream and downstream sectors. In addition, InServ's downstream focus adds further diversification across the hydrocarbon value chain. InServ's focus on maintenance, repair and overhaul projects that are necessary for the continuous and safe operation of the many processing units of a refinery will help mitigate the effect of spending cycles in the pipeline industry. We also believe there may be opportunities for growth through selective and strategic acquisitions of businesses or assets complementary to InServ's current service offering.

Expand geographic reach. InServ's capabilities span the United States, as evidenced by InServ having provided services to 60 of the 149 operable refineries in the country. Broad geographic reach is important to customers as it enables the company to rapidly mobilize people, materials and equipment. We believe that the expanded geographic reach of the combined businesses will position us to capture incremental revenue opportunities. Furthermore, our strong position in the Canadian oil sands provides InServ access to this rapidly growing market. We expect that the maintenance market for processing facilities will provide a significant opportunity following the Cdn\$100 billion of facility capital investment which is expected to occur by 2015.

Consistent and conservative financial management with contracts focused on risk-adjusted return. InServ has demonstrated consistent top- and bottom-line growth, while maintaining a balance sheet with minimal debt. Over 75 percent of InServ's backlog is cost-reimbursable with a significant weighting toward maintenance, repair and overhaul activities. We believe that InServ's conservative approach to operating their business is consistent with our approach.

Long-term customer relationships with significant overlap. InServ has a premier brand name and reputation among the world's largest refining and petrochemical operators. InServ serves a blue-chip customer base, most with repeat business over many years and several with management relationships extending over 30 years. Several of these customers are also existing customers of Willbros. We believe that these quality relationships are complementary to our existing customer base, enabling the combined entity to enhance revenue opportunities across a broad base of service offerings.

Strong cultural fit. Willbros management has an established relationship with the management of InServ that we believe will facilitate the integration process. We believe that InServ's high cultural similarity with Willbros, coupled with a customer base which is well known to us and lack of services overlap, make it an excellent opportunity to expand our market and provide a recurring revenue stream.

OUR COMPETITIVE STRENGTHS

We believe that we have a leading position relative to our peers in the markets in which we currently operate as a result of key competitive strengths, including:

Ø **Leading position in high growth hydrocarbon transportation market supported by a strong global brand and reputation of quality execution expertise.** We believe we are one of the largest engineering and construction service providers in the world focused primarily on pipelines and other infrastructure critical to the transportation of hydrocarbons. Our global execution platform, experience and substantial fleet of construction equipment provide us with an advantage over smaller

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competitors with more limited resources and larger service providers, many of whom have committed significant resources to upstream and downstream processing facilities. In addition, we are well positioned to capitalize on the increasing need to maintain or replace older pipelines and expand into related services which augment our core expertise.

- Ø **Our ability to execute complex, fully integrated EPC projects.** We offer our customers fully integrated EPC capabilities addressing the complete project lifecycle from early stage development and feasibility studies through execution, including project management, construction, and ongoing maintenance services. We are one of the few specialized service providers capable of offering this comprehensive solution in the pipeline market. Our customers are increasingly recognizing the benefits of integrated EPC services resulting from our early involvement in a project. Early involvement in all aspects of a project allows us to better determine the most efficient design, permitting, procurement and construction sequence and strategy for a project. Increased control over the entire scope of a project also improves execution efficiencies, which allows us to generate higher margins for the engineering and construction portions of the project while capturing incremental revenue and margin opportunities through the material procurement phase.
- Ø **Strong relationships with long standing customers.** We have well-established relationships with major natural gas and petroleum industry participants, many of whom are leaders in their respective markets, including Kinder Morgan Energy Partners, ExxonMobil, Royal Dutch Shell, Energy Transfer Partners, El Paso Energy, SynCrude and Occidental Petroleum. We were able to develop and maintain these relationships due to our success in understanding and meeting our customers' objectives. We believe that industry growth will continue to drive larger and more complex projects in a market where strong customer relationships and proven execution capabilities will be critical in increasing our market share. Our established safety and performance track record, well-maintained fleet of equipment and deep staff of well-trained, experienced engineers, project managers, and field operators position us to continue to win new projects from our legacy and new customers.
- Ø **Experienced workforce and management team.** Our management team and skilled workforce include professionals with significant industry experience and technical expertise. Our senior executive team averages over 25 years of relevant industry experience, and many of our managers have led projects both domestically and overseas. Our new management team has positioned us to capture substantial growth opportunities in a strong environment.

OUR BUSINESS STRATEGY

Our strategy is to increase stockholder value by leveraging our competitive strengths to take advantage of the current opportunities in the global energy infrastructure market and position ourselves for sustained long-term growth. Core tenets of our strategy include:

Focus on managing risk. Led by our new management team, we have implemented a core set of business conduct, practices and policies which have fundamentally improved our risk profile. We have implemented our risk management policy by exiting higher risk countries, increasing our activity levels in lower risk countries, diversifying our service offerings and end markets, practicing rigorous financial management and limiting contract execution risk. Risk management is emphasized throughout all levels of the organization and covers all aspects of a project from strategic planning and bidding to contract management and financial reporting. We have implemented stricter controls and enhanced risk assessment and believe these processes will enable us to more effectively evaluate, structure and execute future projects, thereby increasing our profitability and reducing our execution risk.

- Ø **Focus resources in markets with the highest risk-adjusted return.** North America currently offers us the highest risk-adjusted returns and the majority of our resources are focused on this region. However, we continue to

seek international opportunities which can provide superior risk-adjusted returns and believe our extensive international experience is a competitive advantage. We believe that markets in North Africa and the Middle East, where we also have substantial experience, may offer attractive opportunities for us in the future given mid- and long-term industry trends.

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Ø **Maintain a conservative contract portfolio.** Our current contract portfolio is composed of 75 percent cost-reimbursable work which provides for a more equitable allocation of risk between us and our customers. While strong current market conditions have been beneficial in transitioning our backlog away from higher-risk, fixed-price contracts, we intend to maintain a balanced risk-to-reward portfolio.

Ø **Ethical business practices.** We demand that all of our employees and representatives conduct our business in accordance with the highest ethical standards in compliance with applicable laws, rules and regulations, with honesty and integrity, and in a manner which demonstrates respect for others. The Willbros tradition of doing the right thing and abiding by the rule of law is reflected in our longstanding Code of Business Conduct and Ethics.

Leverage core service expertise into additional full EPC contracts. Our core expertise and service offerings allow us to provide our customers with a single source EPC solution which creates greater efficiencies to the benefit of both our customers and our company. In performing integrated EPC contracts, we establish ourselves as overall project managers from the earliest stages of project inception and are therefore better able to efficiently determine the design, permitting, procurement and construction sequence for a project in connection with making engineering decisions. Our customers benefit from a more seamless execution, while for us, these contracts often yield higher profit margins on the engineering and construction components of the contract compared to stand-alone contracts for similar services. Additionally, this contract structure allows us to deploy our resources more efficiently and capture both the engineering and construction components of these projects.

Leverage core capabilities and industry reputation into a broader service offering. We believe our market is characterized by increasingly larger projects and a constrained resource base. Potential customers are invoking buying criteria other than price, such as safety performance, schedule certainty and specialty expertise. Our established platform and track record strongly position us to capitalize on this trend by leveraging our expertise into a broader range of related service offerings. While we currently provide a number of discrete services to both our core and other end-markets, we believe additional opportunities exist to expand our core capabilities through both acquisitions and internal growth initiatives. We strive to leverage our project management, engineering and construction skills to establish additional service offerings, such as instrumentation and electrical services, turbo-machinery services, environmental services and pipeline system integrity services. We expect this approach to enable us to attract more critical service resources in a tight market for both qualified personnel and critical equipment resources, establishing us as one of the few contractors able to do so.

Establish and maintain financial flexibility. Increasingly larger projects and the complex interaction of multiple projects simultaneously underway require us to have the financial flexibility to meet material, equipment and personnel needs to support our project commitments. We intend to use our credit facility for performance letters of credit, financial letters of credit and cash borrowings. Following the successful completion of this transaction, we will focus on maintaining a strong balance sheet to enable us to achieve the best terms and conditions for our credit facilities and bonding capacities. Our continued emphasis is on the maintenance of a strong balance sheet to maximize flexibility and liquidity for the development and growth of our business. We also employ rigorous cash management processes to ensure the continued improvement of cash management, including processes focused on improving contract terms as they relate to project cash flows.

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OTHER RECENT EVENTS

New senior credit facility

Concurrent with the closing of the offering contemplated by this prospectus supplement and the accompanying prospectus and the InServ acquisition, our wholly-owned subsidiary, Willbros USA, Inc., intends to replace the existing three year \$100.0 million senior secured synthetic credit facility with a new three year senior secured \$150.0 million revolving credit facility due 2010 and a four year \$100.0 million term loan facility due 2011 (the 2007 Credit Facility) with a group of banks led by Calyon New York Branch (Calyon). We currently have \$250.0 million of commitments for the 2007 Credit Facility. Our existing facility is costlier (including a five percent per annum facility fee) than the 2007 Credit Facility and contains numerous restrictions which have restricted our financial flexibility. With our improving financial condition, we have been able to significantly improve the terms and conditions in our 2007 Credit Facility and we expect that the 2007 Credit Facility will enhance our financial flexibility, reduce our credit expense and provide added financial support to our growth strategy.

Our obligations under the 2007 Credit Facility will be guaranteed by Willbros Group, Inc. and all of its material foreign and domestic subsidiaries and will be secured by a first priority security interest in all existing and future acquired assets of those companies and of Willbros USA, Inc. We will have the option, subject to Calyon's consent, to increase the size of the revolving credit facility to \$200.0 million within the first two years of the closing date of the 2007 Credit Facility. We will be able to utilize 100 percent of the revolving credit facility to issue performance letters of credit and 33.3 percent of the facility for cash advances and financial letters of credit.

We expect that the term loan will be available to backstop the funding requirements from our InServ acquisition and that, while we intend to fund the \$202.5 million cash portion of the purchase price for InServ from the net proceeds of the equity offering contemplated by this prospectus supplement, we may borrow under the term loan facility at our option, subject to certain terms and conditions, to consummate the InServ acquisition. We expect that the term loan facility will be made available in a single advance on the closing date of the 2007 Credit Facility and that any unused term loan commitment will be terminated on that date.

The 2007 Credit Facility contains customary financial covenants and terms and conditions. For additional information with respect to the anticipated terms of the 2007 Credit Facility, see Description of new senior credit facility.

Resolution of criminal and regulatory matters

Willbros Group, Inc. (WGI) and its subsidiary, Willbros International, Inc. (WII), have reached an agreement in principle with representatives of the United States Department of Justice (the DOJ), subject to approval by the DOJ and confirmation by a federal district court, to settle its previously disclosed investigation into possible violations of the Foreign Corrupt Practices Act (the FCPA). In addition, we have reached an agreement in principle with the staff of the US Securities and Exchange Commission (the SEC), subject to approval by the SEC and confirmation by a federal district court, to resolve its previously disclosed investigation of possible violations of the FCPA and possible violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. These investigations stem primarily from our former operations in Bolivia, Ecuador and Nigeria. As described more fully below, if accepted by the DOJ and the SEC and approved by the court, the settlements together will require us to pay, over approximately three years, a total of \$32.3 million in penalties and disgorgement, plus post-judgment interest on \$7.725 million of that amount. In addition, WGI and WII will, for a period of approximately three years, each be subject to Deferred Prosecution Agreements (DPAs) with the DOJ. Finally, we will be subject to a permanent injunction barring future violations of certain provisions of the federal securities laws.

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The terms of the settlement in principle with the DOJ include the following:

- Ø A twelve-count criminal information will be filed against both WGI and WII. WGI and WII will each enter into a DPA with the DOJ. The twelve counts include substantive violations of the anti-bribery provisions and violations of the books-and-records provisions of the FCPA. All twelve counts relate to our operations in Nigeria, Ecuador and Bolivia during the period from 1996 to 2005.
- Ø Provided WGI and WII fully comply with the DPAs for a period of approximately three years, the DOJ will not continue the criminal prosecution against WGI and WII and, at the conclusion of that time, the DOJ will move to dismiss the criminal information.
- Ø The DPAs will require, for each of their three-year terms, among other things, full cooperation with the government; compliance with all federal criminal law, including but not limited to the FCPA; and a three year monitor for WGI and its subsidiary companies, primarily focused on international operations outside of North America, the costs of which are payable by WGI.
- Ø We will be subject to \$22 million in fines related to FCPA violations. The fines are payable in four equal installments of \$5.5 million, first on signing, and annually for approximately three years thereafter, with no interest payable on the unpaid amounts.

With respect to the agreement in principle with the staff of the SEC the terms include the following:

- Ø We will consent to the filing in federal district court of a complaint by the SEC (the Complaint), without admitting or denying the allegations in the Complaint, and to the imposition by the court of a final judgment of permanent injunction against us. The Complaint will allege civil violations of the antifraud provisions of the Securities Act and the Securities Exchange Act, the FCPA's anti-bribery provisions, and the reporting, books-and-records and internal control provisions of the Securities Exchange Act. The final judgment will not take effect until it is confirmed by the court, and will permanently enjoin us from future violations of those provisions.
- Ø The final judgment will order us to pay \$10.3 million, consisting of \$8.9 million for disgorgement of profits and approximately \$1.4 million of pre-judgment interest. The disgorgement and pre-judgment interest is payable in four equal installments of \$2.575 million, first on signing, and annually for approximately three years thereafter. Post-judgment interest will be payable on the outstanding balance.

Failure by us to comply with the terms and conditions of either proposed settlement could result in resumed prosecution and other regulatory sanctions.

The settlements in principle are contingent upon the parties' agreement to the terms of final settlement agreements, approval by the DOJ and the SEC and confirmation of each settlement by a federal district court. There can be no assurance that the settlements will be finalized.

As a result of the settlements in principle, we have increased our reserves related to these investigations by \$8.3 million, bringing the aggregate reserves for these matters to \$32.3 million. The increased reserve was recorded in the third quarter of 2007. The aggregate reserves reflect our estimate of the expected probable loss with respect to these matters, assuming the settlements are finalized. If the settlements are not finalized, the amount reserved may not reflect eventual losses.

If final settlements with the DOJ and the SEC are not approved, our liquidity position and financial results could be materially adversely affected. For a further discussion of the risks associated with the settlements in principle with the

SEC and the DOJ, see the Risk factor entitled **We have reached agreements in principle to settle investigations involving possible violations of the FCPA and possible violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. If a final settlement is not approved, our liquidity position and financial results could be materially adversely affected.** and related Risk factors.

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Possible restructuring with a new Delaware public parent

We are considering forming a new Delaware corporation to be our new public parent in order to better reflect the current and anticipated future composition of our business. Such a restructuring transaction may only be effected with the approval of our stockholders. We anticipate that any such transaction would be undertaken in the first quarter of 2008.

OUR EXECUTIVE OFFICES

We are incorporated in the Republic of Panama and maintain our headquarters at Plaza 2000 Building, 50th Street, 8th Floor, P.O. Box 0816-01098, Panama, Republic of Panama; our telephone number is +50-7-213-0947. Administrative services are provided to us by our subsidiary, Willbros USA, Inc., whose administrative headquarters are located at 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027, and whose telephone number is (713) 403-8000. We maintain an internet website at www.willbros.com. We have not incorporated by reference into this prospectus supplement or the accompanying prospectus the information in, or that can be accessed through, our website, and you should not consider it to be a part of this prospectus supplement or the accompanying prospectus.

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The offering

Common stock we are offering 6,875,000 shares

Common stock to be outstanding after this offering 36,006,831 shares

Use of proceeds We estimate that the net proceeds to us from this offering after expenses will be approximately \$220.5 million, or approximately \$253.8 million if the underwriters exercise their over-allotment option in full, at a public offering price of \$34.00 per share. We plan to use approximately \$202.5 million of the net proceeds from this offering to fund the cash portion of the purchase price for our pending acquisition of InServ. We intend to use the remaining net proceeds from this offering to fund our capital expenditures and working capital requirements to support our growing backlog and to fund possible acquisitions of additional assets and businesses which would complement our capabilities. See Use of proceeds.

New York Stock Exchange symbol WG

The number of shares of our common stock outstanding after this offering is based on approximately 29,131,831 shares outstanding as of September 30, 2007 and excludes:

- Ø 686,750 shares of our common stock issuable upon exercise of options outstanding as of September 30, 2007, at a weighted average exercise price of \$13.69 per share, of which options to purchase 512,583 shares were exercisable as of that date at a weighted average exercise price of \$12.22 per share;
- Ø 558,354 shares of our common stock issuable upon exercise of warrants outstanding as of September 30, 2007, at the current exercise price of \$19.03 per share, all of which warrants were exercisable as of that date;
- Ø 1,825,589 shares of our common stock issuable upon conversion of approximately \$32.1 million in aggregate principal amount of our 6.5% Convertible Senior Notes due 2012 (the 6.5% Notes), and 3,595,277 shares of our common stock issuable upon conversion of \$70.0 million in aggregate principal amount of our 2.75% Convertible Senior Notes due 2024 (the 2.75% Notes), each at the respective conversion price currently in effect;
- Ø 458,798 shares of our common stock available for future grant under the Willbros Group, Inc. 1996 Stock Plan (the 1996 Stock Plan) and the 2006 Director Restricted Stock Plan as of September 30, 2007; and
- Ø 1,031,250 shares of our common stock that may be purchased by the underwriters to cover over-allotments, if any.

Unless we specifically state otherwise, the information in this prospectus supplement assumes that the underwriters do not exercise their option to purchase up to 1,031,250 additional shares of our common stock to cover over-allotments, if any.

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Summary historical and pro forma consolidated financial data

The following summary historical consolidated financial data for the years ended December 31, 2006, 2005 and 2004 are derived from our audited consolidated financial statements. The following summary historical consolidated financial data as of September 30, 2007 and for the nine-month periods ended September 30, 2007 and 2006 are derived from our unaudited interim condensed consolidated financial statements. In the opinion of our management, the unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for a fair presentation of the information set forth therein. Interim results are not necessarily indicative of full year results.

The following summary unaudited pro forma financial data for the twelve months ended December 31, 2006 and for and as of the nine months ended September 30, 2007 give effect to (1) our pending acquisition of InServ, (2) the issuance of common stock to the sellers of InServ in connection with such pending acquisition, (3) the application of \$202.5 million of the net proceeds of this offering to finance the cash portion of the purchase price of InServ and (4) the receipt of the remaining net proceeds of this offering. The following summary unaudited pro forma financial data does not give effect to an anticipated \$1.5 million charge for unamortized deferred finance costs and a reduction in annual expense of a minimum of \$2.0 million which we anticipate from the refinancing of our existing credit facility.

The summary unaudited pro forma financial information is based on our historical consolidated financial statements and the historical consolidated financial statements of InServ and includes, in the opinion of management, all adjustments necessary for a fair presentation of the information set forth therein. The pro forma adjustments are based on information and assumptions we believe are reasonable. The unaudited pro forma financial information is presented for informational purposes only and does not purport to represent what our results of operations or financial position would have been had the transactions reflected occurred on the dates indicated or to project our financial position as of any future date or our results of operations for any future period.

This information is only a summary and should be read together with Unaudited pro forma condensed combined financial statements , Management s discussion and analysis of financial condition and results of operations , our historical consolidated financial statements and the related notes contained elsewhere in this prospectus supplement and the other information contained in or incorporated by reference in this prospectus supplement. For more details on how you can obtain our SEC reports incorporated by reference in this prospectus supplement, see Where You Can Find More Information in the accompanying prospectus.

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Statement of operations data	Historical					Pro forma	
	Year ended December 31,		2006	Nine months ended		Year ended December 31, 2006	September 2006
2004	2005	September 30, 2006		2007	(unaudited)		
Revenue	\$ 272,794	\$ 294,479	\$ 543,259	\$ 352,181	\$ 610,168	\$ 743,742	\$ 800,000
Operating expenses:							
Cost of sales	222,357	266,072	489,494	320,628	538,790	654,375	710,000
Depreciation and amortization	9,776	11,688	12,430	9,180	13,223	17,940	17,940
General and administrative	32,525	42,350	53,366	33,133	42,295	70,001	70,001
Provision for doubtful accounts					22,000		
Other non-recurring items							
Operating income (loss)	264,658	320,110	555,290	362,941	616,308	742,316	800,000
Other income (expense):							
Interest income	8,136	(25,631)	(12,031)	(10,760)	(6,140)	1,426	1,426
Interest expense							
Other income	868	1,577	1,803	1,350	4,433	1,803	1,803
Other expense	(3,348)	(5,481)	(10,068)	(7,482)	(6,552)	(10,824)	(10,824)
Foreign exchange gain (loss)	(85)	14	(150)	105			
Gain on sale of assets	(302)	728	719		(2,019)	650	650
Gain on early extinguishment of debt					(15,375)		
Other income (expense)	(2,867)	(3,162)	(7,696)	(6,027)	(19,513)	(8,371)	(8,371)
Income (loss) from continuing operations before income taxes	5,269	(28,793)	(19,727)	(16,787)	(25,653)	(6,945)	(6,945)
Income tax expense (benefit) for income taxes	(1,027)	1,668	2,308	1,811	7,793	7,421	7,421
Income (loss) from continuing operations	6,296	(30,461)	(22,035)	(18,598)	(33,446)	(14,366)	(14,366)
Income (loss) from discontinued operations net of provision for income taxes	(27,111)	(8,319)	(83,402)	(46,249)	(21,494)	(83,402)	(83,402)
Income (loss)	\$ (20,815)	\$ (38,780)	\$ (105,437)	\$ (64,847)	\$ (54,940)	\$ (97,768)	\$ (97,768)
Weighted average diluted net loss per share:							
Continuing operations	\$ 0.30	\$ (1.43)	\$ (0.98)	\$ (0.87)	\$ (1.22)	\$ (0.48)	\$ (0.48)
Discontinued operations	(1.29)	(0.39)	(3.72)	(2.15)	(0.78)	(2.78)	(2.78)
Income (loss)	\$ (0.99)	\$ (1.82)	\$ (4.70)	\$ (3.02)	\$ (2.00)	\$ (3.26)	\$ (3.26)

Weighted average shares of
common stock used in
calculating basic and diluted net
income per share

20,922,022	21,258,211	22,440,742	21,480,730	27,421,927	29,953,217	34,953,217
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Balance sheet data	As of September 30,	
	Actual	Pro forma
(in thousands)	(unaudited)	
Cash, cash equivalents and short-term investments	\$ 58,709	\$ 78,376
Net working capital ⁽¹⁾	122,286	164,724
Total debt	139,372	145,298
Stockholders' equity	106,458	349,434

(1) Net working capital represents current assets less current liabilities, including the assets and liabilities of discontinued operations.

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Risk factors

Investing in our common stock involves a high degree of risk. In addition to the other information included and incorporated by reference in this prospectus supplement and accompanying prospectus, you should carefully consider the risks described below before purchasing our common stock. If any of the following risks actually occurs, our business, results of operations and financial condition will likely suffer. As a result, the trading price of our common stock may decline, and you might lose part or all of your investment.

These are not the only risks and uncertainties we face. Additional risks and uncertainties that we are presently unaware of or currently consider immaterial may also adversely affect our business, results of operations and financial condition.

RISKS RELATED TO OUR BUSINESS

We may continue to experience losses associated with our prior activities in Nigeria.

In February 2007, we completed the sale of our Nigerian operations. In August 2007, we and our subsidiary, Willbros International Services (Nigeria) Limited, entered into a Global Settlement Agreement with Ascot Offshore Nigeria Limited (Ascot), the purchaser of our Nigerian operations and Berkeley Group Plc, the purchaser's parent company. Among the other matters, the Global Settlement Agreement provided for the payment of an amount in full and final settlement of all disputes between Ascot and us related to the working capital adjustment to the closing purchase price under the February 2007 share purchase agreement. In connection with the sale of our Nigerian operations, we also entered into a transition services agreement, and Ascot delivered a promissory note in favor of us.

The Global Settlement Agreement provided for a settlement in the amount of \$25.0 million, the amount by which we and Ascot agreed to adjust the closing purchase price downward in respect of working capital (the Settlement Amount). Under the Global Settlement Agreement, we retained approximately \$13.9 million of the Settlement Amount and credited this amount to the account of Ascot for amounts which were due to us under the transition services agreement and promissory note. Our payment of the balance of the Settlement Amount settled any and all obligations and disputes between Ascot and us in relation to the adjustment to the closing purchase price under the share purchase agreement.

As part consideration for the parties' agreement on the Settlement Amount, Ascot secured with non-Nigerian banks supplemental backstop letters of credit totaling approximately \$20.3 million. In addition, upon the payment of the balance of the Settlement Amount, all of the parties' respective rights and obligations under the indemnification provisions of the share purchase agreement were terminated, except as provided in the Global Settlement Agreement.

We may continue to experience losses or incur expenses subsequent to the sale and disposition of our operations and the Global Settlement Agreement. In particular:

- Ø We issued parent company guarantees to our former clients in connection with the performance of our Nigeria contracts. Although the buyer will now be responsible for completing these projects, in varying degrees our guarantees will remain in force until the projects are completed. Indemnities are in place pursuant to which the buyer and its parent company are obligated to indemnify us for any losses we incur on these guarantees. However, we can provide no assurance that we will be successful in enforcing our indemnity rights against the buyer. The guarantees include five projects under which we estimate that, at December 31, 2006, there was aggregate remaining contract revenue of approximately \$374.8 million, and aggregate cost to complete of approximately \$316.0 million. At December 31, 2006, we estimated that only one of the contracts covered by the guarantees was

in a loss position and have accrued for such loss in the amount of approximately \$33.2 million on our December 31, 2006 balance sheet. Although we believe Ascot's provision of supplemental backstop

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Risk factors

letters of credit has minimized our letter of credit risk, the same difficulties which led to our leaving Nigeria continue to exist. Ascot's continued willingness and ability to perform our former projects in West Africa are important ingredients to further reducing our risk profile in Nigeria and elsewhere in West Africa. As such, it was important under the Global Settlement Agreement to receive additional assurances from Ascot related to ongoing projects because of our continuing parent guarantees on those projects. To date, no claims have been made against our parent guarantees. If we are required to resume operations in Nigeria under one or more of our performance guarantees, and are unable to enforce our rights under the indemnity agreement, we may experience losses. Those losses could exceed the amount accrued at December 31, 2006, including losses that we could incur in completing projects that were not considered to be in a loss position as of December 31, 2006 due to additional expenses associated with the start-up and redeployment of our equipment or personnel or a further deterioration of the already challenging operating environment in Nigeria.

- Ø Although our current activities in Nigeria are confined to providing transition services to the new owner, we may find it difficult to provide those services to the buyer if we experience high levels of employee turnover or for other reasons. If we are unable to provide adequate transition services or if the buyer is otherwise unable to perform under our contracts that were in effect as of the closing date, we may be required to perform under our parent company guarantees discussed above.
- Ø We may experience difficulty redeploying certain equipment to our continuing operations that we previously leased for our Nigeria projects and that was not conveyed to the buyer at closing.

We have reached agreements in principle with the DOJ and the SEC to settle investigations involving possible violations of the FCPA and possible violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. If a final settlement is not approved, our liquidity position and financial results could be materially adversely affected.

In late December 2004, we learned that tax authorities in Bolivia had charged our Bolivian subsidiary with failure to pay taxes owed, filing improper tax returns and the falsification of tax documents. As a result of our investigation, we determined that J. Kenneth Tillery, then President of WII and the individual principally responsible at that time for our international operations outside of the United States and Canada, was aware of the circumstances that led to the Bolivian charges. Mr. Tillery resigned from the Company on January 6, 2005. In January 2005, our Audit Committee engaged independent outside legal counsel for the purpose of conducting an investigation into the circumstances surrounding the Bolivian tax assessment as well as other activities which were previously under the control of Mr. Tillery. The investigations conducted by the Audit Committee and senior management have revealed information indicating that Mr. Tillery, and others who directly or indirectly reported to him, engaged in activities that were and are specifically contrary to established Company policies and possibly the laws of several countries, including the United States. Our investigations determined that some of the actions of Mr. Tillery and other employees or consultants of WII or its subsidiaries may have caused us to violate US securities laws, including the FCPA, and/or other US and foreign laws.

We have voluntarily reported the results of our investigations to both the SEC and the DOJ. We have also voluntarily reported certain potentially improper facilitation and export activities to the United States Department of Treasury's Office of Foreign Assets Control (OFAC), and to the DOJ and to the SEC. The SEC and the DOJ are each conducting their own investigations of actions taken by us and our employees and representatives that may constitute violations of US law. We are cooperating fully with all such investigations.

We have reached agreements in principle to settle the DOJ and the SEC investigations. As a result of the agreements in principle, we have established aggregate reserves relating to these matters of \$32.3 million. The aggregate reserves reflect our estimate of the expected probable loss with respect to

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Risk factors

these matters, assuming the settlement is finalized. Of the \$32.3 million in aggregate reserves, \$22.0 million, representing the anticipated DOJ fines, was recorded as an operating expense for continuing operations and \$10.3 million, representing anticipated SEC disgorgement of profits and pre-judgment interest, was recorded as an operating expense for discontinued operations.

These settlements in principle are contingent upon the parties' agreement to the terms of final settlement agreements and require final approval from the DOJ and the SEC and confirmation by a federal district court. We can provide no assurance that such approvals will be obtained. If a final resolution is not concluded, we believe it is probable that the DOJ and SEC will seek civil and criminal sanctions against us as well as fines, penalties and disgorgement. If ultimately imposed, or if agreed to by settlement, such sanctions may exceed the current amount we have estimated and reserved in connection with the settlements in principle.

In addition, with respect to OFAC's investigation, OFAC and Willbros USA, Inc. have agreed in principle to settle the allegations pursuant to which we will pay a total of \$6,600 as a civil penalty.

The terms of final settlements with the DOJ and SEC may negatively impact our ongoing operations.

Upon completion of final settlements with the DOJ and SEC, we expect to be subject to ongoing review and regulation of our business operations, including the review of our operations and compliance program by a government approved independent monitor. The activities of the independent monitor will have a cost to us and may cause a change in our processes and operations, the outcome of which we are unable to predict. In addition, the settlements may impact our operations or result in legal actions against us in countries that are the subject of the settlements. The settlements could also result in third-party claims against us, which may include claims for special, indirect, derivative or consequential damages.

Our failure to comply with the terms of settlement agreements with the DOJ and SEC would have a negative impact on our ongoing operations.

Under the settlements in principle with the DOJ and SEC, we expect to be subject to a three-year deferred prosecution agreement and to be permanently enjoined by the federal district court against any future violations of the federal securities laws. Our failure to comply with the terms of the settlement agreements with the DOJ and SEC could result in resumed prosecution and other regulatory sanctions and could otherwise negatively affect our operations. In addition, if we fail to make timely payment of the penalty amounts due to the DOJ and/or the disgorgement amounts specified in the SEC settlement, the DOJ and/or the SEC will have the right to accelerate payment, and demand that the entire balance due be paid immediately. Our ability to comply with the terms of the settlements is dependent on the success of our ongoing compliance program, including:

- Ø our supervision, training and retention of competent employees;
- Ø the efforts of our employees to comply with applicable law and our Foreign Corrupt Practices Act Compliance Manual and Code of Business Conduct and Ethics; and
- Ø our continuing management of our agents and business partners.

Special risks associated with doing business in highly corrupt environments may adversely affect our business.

Although we have completed the sale of our operations in Nigeria, our international business operations may continue to include projects in countries where corruption is prevalent. Since the anti-bribery

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Risk factors

restrictions of the FCPA make it illegal for us to give anything of value to foreign officials in order to obtain or retain any business or other advantage, we may be subject to competitive disadvantages to the extent that our competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence.

Our management has concluded that we did not maintain effective internal controls over financial reporting as of December 31, 2006, 2005 and 2004. Moreover, on November 13, 2007 we determined that a material weakness in our internal control over financial reporting exists with respect to management's review of subcontract cost calculations for a project in Canada. We believe that the material weaknesses reported as of December 31, 2006 were eliminated in February 2007 as a result of the sale of our Nigerian assets and operations. However, our inability to remediate these material weaknesses prior to February 2007, our most recent material weakness and any other control deficiencies that we may discover in the future, could adversely affect our ability to report our financial condition and results of operations accurately and on a timely basis. As a result, our business, operating results and liquidity could be harmed.

As disclosed in our annual reports on Form 10-K for 2006, 2005 and 2004, management's assessment of our internal controls over financial reporting identified several material weaknesses. These material weaknesses led to the restatement of our previously issued consolidated financial statements for fiscal years 2002 and 2003 and the first three quarters of 2004. Although we made progress in executing our remediation plans during 2005 and 2006, including the remediation of three material weaknesses, as of December 31, 2006, management concluded that we did not maintain effective internal controls over financial reporting due to the following remaining material weaknesses in internal controls:

- Ø Nigeria accounting: During the fourth quarter of 2006, we determined that a material weakness in our internal controls over financial reporting existed related to the Company's management control environment over the accounting for our Nigeria operations. This weakness in management control led to the inability to adequately perform various control functions including supervision over and consistency of inventory management, petty cash disbursements, accounts payable disbursement approvals, account reconciliations, and review of timekeeping records. This material weakness resulted primarily from our inability to maintain a consistent and stable internal control environment over our Nigeria operations in the fourth quarter of 2006.
- Ø Nigeria project controls estimate to complete: A material weakness existed related to controls over the Nigeria project reporting. This weakness existed throughout 2006 and is a continuation of a material weakness reported in our 2005 Form 10-K. The weakness primarily impacted one large Nigeria project with a total contract value of approximately \$165 million, for which cost estimates were not updated timely in the fourth quarter of 2006 due to insufficient measures being taken to independently verify and update reliable cost estimates. This material weakness specifically resulted in material changes to revenue and cost of sales during the preparation of our year-end financial statements by our accounting staff prior to their issuance.

Moreover, on November 13, 2007 we determined that a material weakness in our internal control over financial reporting exists with respect to management's review of subcontract cost calculations for a project in Canada. In connection with our efforts to remediate this material weakness, we intend to take a number of actions to strengthen the control environment over our operations in Canada, including the following:

- Ø enhance the management review process and hire additional project controllers; and

Ø introduce system upgrades to automate certain processes, which we believe will prevent the omission of previously identified costs.

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Risk factors

In 2006, our efforts to strengthen our control environment and correct the material weakness in company level controls over the financial statement close process included:

- Ø reviewing and monitoring our accounting department structure and organization, both in terms of size and expertise;
- Ø hiring additional senior accounting personnel at our corporate administrative offices;
- Ø increasing our supervision of accounting personnel;
- Ø recruiting candidates in order to expeditiously fill vacancies in our accounting, finance and project management functions; and
- Ø developing documentation and consistent execution of controls over our financial statement close process.

Our efforts during 2006 to improve our control environment in response to the weakness in construction contract management identified at December 31, 2005 included:

- Ø initiating efforts to expand operations and accounting supervisory controls over consistency in the project reporting process and documentation for Nigeria contracts through the addition of supervisory personnel; and
- Ø developing more standardized documentation related to project management reporting and management review processes.

We believe that our reported material weaknesses at December 31, 2006 were eliminated in February 2007 upon the sale of our Nigeria assets and operations since those material weaknesses related solely to our operations in that country. However, our inability to remediate these material weaknesses prior to February 2007, our most recent material weakness and any other control deficiencies we identify in the future, could adversely affect our ability to report our financial results on a timely and accurate basis, which could result in a loss of investor confidence in our financial reports or have a material adverse effect on our ability to operate our business or access sources of liquidity. Furthermore, because of the inherent limitations of any system of internal control over financial reporting, including the possibility of human error, the circumvention or overriding of controls and fraud, even effective internal controls may not prevent or detect all misstatements.

Our business is highly dependent upon the level of capital expenditures by oil, gas and power companies on infrastructure.

Our revenue and cash flow are primarily dependent upon major engineering and construction projects. The availability of these types of projects is dependent upon the economic condition of the oil, gas and power industries, specifically, the level of capital expenditures of oil, gas and power companies on infrastructure. Our failure to obtain major projects, the delay in awards of major projects, the cancellation of major projects or delays in completion of contracts are factors that could result in the under-utilization of our resources, which would have an adverse impact on our revenue and cash flow. There are numerous factors beyond our control that influence the level of capital expenditures of oil, gas and power companies, including:

- Ø current and projected oil, gas and power prices;
- Ø the demand for electricity;
- Ø the abilities of oil, gas and power companies to generate, access and deploy capital;
- Ø exploration, production and transportation costs;
- Ø the discovery rate of new oil and gas reserves;
- Ø the sale and expiration dates of oil and gas leases and concessions;

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Risk factors

- Ø regulatory restraints on the rates that power companies may charge their customers;
- Ø local and international political and economic conditions;
- Ø the ability or willingness of host country government entities to fund their budgetary commitments; and
- Ø technological advances.

If we are not able to renegotiate our surety bond lines, our ability to operate may be significantly restricted.

Our bonding company provides surety bonds on a case-by-case basis for projects in North America and requires that we post backstop letters of credit. We are currently negotiating with our bonding company to eliminate the requirement to provide backstop letters of credit, but we can provide no assurance that we will be successful in removing this requirement. If we are unable to obtain surety bonds, or if the cost of obtaining surety bonds is prohibitive, our ability to bid some projects may be adversely affected in the event other forms of performance guarantees such as letters of credit or parent guarantees are deemed insufficient or unacceptable. In addition, the requirement that we post backstop letters of credit reduces the capacity available to us under our credit facility.

Our international operations are subject to political and economic risks of developing countries.

Although we recently sold our operations in Nigeria and Venezuela, we have substantial operations in the Middle East (Oman) and anticipate that a significant portion of our contract revenue will be derived from, and a significant portion of our long-lived assets will be located in, developing countries.

Conducting operations in developing countries presents significant commercial challenges for our business. A disruption of activities, or loss of use of equipment or installations, at any location in which we have significant assets or operations, could have a material adverse effect on our financial condition and results of operations. Accordingly, we are subject to risks that ordinarily would not be expected to exist to the same extent in the United States, Canada, Japan or Western Europe. Some of these risks include:

- Ø civil uprisings, riots and war, which can make it impractical to continue operations, adversely affect both budgets and schedules and expose us to losses;
- Ø repatriating foreign currency received in excess of local currency requirements and converting it into dollars or other fungible currency;
- Ø exchange rate fluctuations, which can reduce the purchasing power of local currencies and cause our costs to exceed our budget, reducing our operating margin in the affected country;
- Ø expropriation of assets, by either a recognized or unrecognized foreign government, which can disrupt our business activities and create delays and corresponding losses;
- Ø availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy, which limit the importation of skilled craftsmen or specialized equipment in areas where local resources

are insufficient;

- Ø government instability, which can cause investment in capital projects by our potential customers to be withdrawn or delayed, reducing or eliminating the viability of some markets for our services;
- Ø decrees, laws, regulations, interpretations and court decisions under legal systems, which are not always fully developed and which may be retroactively applied and cause us to incur unanticipated and/or unrecoverable costs as well as delays which may result in real or opportunity costs; and

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Risk factors

Ø terrorist attacks such as those which occurred on September 11, 2001 in the United States, which could impact insurance rates, insurance coverages and the level of economic activity, and produce instability in financial markets.

Our operations in developing countries may be adversely affected in the event any governmental agencies in these countries interpret laws, regulations or court decisions in a manner which might be considered inconsistent or inequitable in the United States, Canada, Japan or Western Europe. We may be subject to unanticipated taxes, including income taxes, excise duties, import taxes, export taxes, sales taxes or other governmental assessments which could have a material adverse effect on our results of operations for any quarter or year.

These risks may result in a material adverse effect on our results of operations.

We may be adversely affected by a concentration of business in a particular country.

Due to a limited number of major projects worldwide, we expect to have a substantial portion of our resources dedicated to projects located in a few countries. Therefore, our results of operations are susceptible to adverse events beyond our control that may occur in a particular country in which our business may be concentrated at that time. Economic downturns in such countries could also have an adverse impact on our operations.

Our backlog is subject to unexpected adjustments and cancellations and is, therefore, an uncertain indicator of our future earnings.

We cannot guarantee that the revenue projected in our backlog will be realized or profitable. Projects may remain in our backlog for an extended period of time. In addition, project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in our backlog and could reduce the dollar amount of our backlog and the revenue and profits that we actually earn. Many of our contracts have termination for convenience provisions in them in some cases, without any provision for penalties or lost profits. Therefore, project terminations, suspensions or scope adjustments may occur from time to time with respect to contracts in our backlog. Finally, poor project or contract performance could also impact our backlog and profits.

Our failure to recover adequately on claims against project owners for payment could have a material adverse effect on us.

We occasionally bring claims against project owners for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as owner-caused delays or changes from the initial project scope, which result in additional costs, both direct and indirect. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest significant working capital in projects to cover cost overruns pending the resolution of the relevant claims. A failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial condition.

Our business is dependent on a limited number of key clients.

We operate primarily in the oil, gas and power industries, providing construction, engineering and facilities development and operations services to a limited number of clients. Much of our success depends on developing and maintaining relationships with our major clients and obtaining a share of contracts from these clients. The loss of any of our major clients could have a material adverse effect on

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our operations. Our three largest clients were responsible for 56.9 percent of our backlog at September 30, 2007.

Our use of fixed-price contracts could adversely affect our operating results.

A substantial portion of our projects is currently performed on a fixed-price basis. Under a fixed-price contract, we agree on the price that we will receive for the entire project, based upon a defined scope, which includes specific assumptions and project criteria. If our estimates of our own costs to complete the project are below the actual costs that we may incur, our margins will decrease, and we may incur a loss. The revenue, cost and gross profit realized on a fixed-price contract will often vary from the estimated amounts because of unforeseen conditions or changes in job conditions and variations in labor and equipment productivity over the term of the contract. If we are unsuccessful in mitigating these risks, we may realize gross profits that are different from those originally estimated and incur reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our operating results for any quarter or year. In general, turnkey contracts to be performed on a fixed-price basis involve an increased risk of significant variations. This is a result of the long-term nature of these contracts and the inherent difficulties in estimating costs and of the interrelationship of the integrated services to be provided under these contracts, whereby unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract.

Percentage-of-completion method of accounting for contract revenue may result in material adjustments that would adversely affect our operating results.

We recognize contract revenue using the percentage-of-completion method on long-term fixed price contracts. Under this method, estimated contract revenue is accrued based generally on the percentage that costs to date bear to total estimated costs, taking into consideration physical completion. Estimated contract losses are recognized in full when determined. Accordingly, contract revenue and total cost estimates are reviewed and revised periodically as the work progresses and as change orders are approved, and adjustments based upon the percentage-of-completion are reflected in contract revenue in the period when these estimates are revised. These estimates are based on management's reasonable assumptions and our historical experience, and are only estimates. Variation of actual results from these assumptions or our historical experience could be material. To the extent that these adjustments result in an increase, a reduction or an elimination of previously reported contract revenue, we would recognize a credit or a charge against current earnings, which could be material.

Terrorist attacks and war or risk of war may adversely affect our results of operations, our ability to raise capital or secure insurance, or our future growth.

The continued threat of terrorism and the impact of military and other action, including US military operations in Iraq, will likely lead to continued volatility in prices for crude oil and natural gas and could affect the markets for our operations. In addition, future acts of terrorism could be directed against companies operating both outside and inside the United States. Further, the US government has issued public warnings that indicate that pipelines and other energy assets might be specific targets of terrorist organizations. These developments have subjected our operations to increased risks and, depending on their ultimate magnitude, could have a material adverse effect on our business.

Our operations are subject to a number of operational risks.

Our business operations include pipeline construction, fabrication, pipeline rehabilitation services and the operation of heavy equipment. These operations involve a high degree of operational risk. Natural disasters, adverse weather conditions, collisions and operator error could cause personal injury or loss

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of life, severe damage to and destruction of property, equipment and the environment, and suspension of operations. In locations where we perform work with equipment that is owned by others, our continued use of the equipment can be subject to unexpected or arbitrary interruption or termination. The occurrence of any of these events could result in work stoppage, loss of revenue, casualty loss, increased costs and significant liability to third parties.

The insurance protection we maintain may not be sufficient or effective under all circumstances or against all hazards to which we may be subject. An enforceable claim for which we are not fully insured could have a material adverse effect on our financial condition and results of operations. Moreover, we may not be able to maintain adequate insurance in the future at rates that we consider reasonable.

We may become liable for the obligations of our joint ventures and our subcontractors.

Some of our projects are performed through joint ventures with other parties. In addition to the usual liability of contractors for the completion of contracts and the warranty of our work, where work is performed through a joint venture, we also have potential liability for the work performed by our joint ventures. In these projects, even if we satisfactorily complete our project responsibilities within budget, we may incur additional unforeseen costs due to the failure of our joint ventures to perform or complete work in accordance with contract specifications.

We act as prime contractor on a majority of the construction projects we undertake. In our capacity as prime contractor and when acting as a subcontractor, we perform most of the work on our projects with our own resources and typically subcontract only such specialized activities as hazardous waste removal, nondestructive inspection, tank erection, catering and security. However, with respect to EPC and other contracts, we may choose to subcontract a substantial portion of the project. In the construction industry, the prime contractor is normally responsible for the performance of the entire contract, including subcontract work. Thus, when acting as a prime contractor, we are subject to the risk associated with the failure of one or more subcontractors to perform as anticipated.

Governmental regulations could adversely affect our business.

Many aspects of our operations are subject to governmental regulations in the countries in which we operate, including those relating to currency conversion and repatriation, taxation of our earnings and earnings of our personnel, the increasing requirement in some countries to make greater use of local employees and suppliers, including, in some jurisdictions, mandates that provide for greater local participation in the ownership and control of certain local business assets. In addition, we depend on the demand for our services from the oil, gas and power industries, and, therefore, our business is affected by changing taxes, price controls, and laws and regulations relating to the oil, gas and power industries generally. The adoption of laws and regulations by the countries or the states in which we operate that are intended to curtail exploration and development drilling for oil and gas or the development of power generation facilities for economic and other policy reasons, could adversely affect our operations by limiting demand for our services.

Our operations are also subject to the risk of changes in laws and policies which may impose restrictions on our business, including trade restrictions, which could have a material adverse effect on our operations. Other types of governmental regulation which could, if enacted or implemented, adversely affect our operations include:

Ø expropriation or nationalization decrees;

- Ø confiscatory tax systems;
- Ø primary or secondary boycotts directed at specific countries or companies;
- Ø embargoes;

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- Ø extensive import restrictions or other trade barriers;
- Ø mandatory sourcing and local participation rules;
- Ø oil, gas or power price regulation; and
- Ø unrealistically high labor rate and fuel price regulation.

Our future operations and earnings may be adversely affected by new legislation, new regulations or changes in, or new interpretations of, existing regulations, and the impact of these changes could be material.

Our strategic plan relies in part on acquisitions to sustain our growth. Acquisitions of other companies present certain risks and uncertainties.

Our strategic plan involves growth through, among other things, the acquisition of other companies. Such growth involves a number of risks, including:

- Ø inherent difficulties relating to combining previously separate businesses;
- Ø diversion of management's attention from ongoing day-to-day operations;
- Ø the assumption of liabilities of an acquired business, including both foreseen and unforeseen liabilities;
- Ø failure to realize anticipated benefits, such as cost savings and revenue enhancements;
- Ø potentially substantial transaction costs associated with business combinations;
- Ø difficulties relating to assimilating the personnel, services and systems of an acquired business and to integrating marketing, contracting, commercial and other operational disciplines; and
- Ø difficulties in applying and integrating our system of internal controls to an acquired business.

In addition, we cannot assure you that we will continue to locate suitable acquisition targets or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Acquisitions may bring us into businesses we have not previously conducted and expose us to additional business risks that are different than those we have traditionally experienced.

Our operations expose us to potential environmental liabilities.

Our US operations are subject to numerous environmental protection laws and regulations which are complex and stringent. We regularly perform work in and around sensitive environmental areas, such as rivers, lakes and wetlands. Significant fines and penalties may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liability for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of

such person. In addition to potential liabilities that may be incurred in satisfying these requirements, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts which were in compliance with all applicable laws at the time these acts were performed.

We own and operate several properties in the United States that have been used for a number of years for the storage and maintenance of equipment and upon which hydrocarbons or other wastes may have been disposed or released. Any release of substances by us or by third parties who previously operated on these properties may be subject to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Resource Compensation and Recovery Act (RCRA), and analogous state laws. CERCLA imposes joint and several liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of hazardous substances

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into the environment, while RCRA governs the generation, storage, transfer and disposal of hazardous wastes. Under such laws, we could be required to remove or remediate previously disposed wastes and clean up contaminated property. This could have a significant impact on our future results.

Our operations outside of the United States are oftentimes potentially subject to similar governmental controls and restrictions relating to the environment.

Our ability to increase our revenues and operating profits is partly dependent on our ability to secure additional specialized pipeline construction equipment, either through lease or purchase. The availability of such equipment in the current market is highly limited.

Due to the substantial increase in investment in energy-related infrastructure, particularly hydrocarbon transportation, our industry is currently experiencing shortages in the availability of certain specialized equipment essential to the construction of large diameter pipelines. We expect that these shortages will persist or even worsen. If we are unsuccessful in obtaining essential construction equipment on reasonable terms, our growth may be curtailed.

Our industry is highly competitive, which could impede our growth.

We operate in a highly competitive environment. A substantial number of the major projects that we pursue are awarded based on bid proposals. We compete for these projects against government-owned or supported companies and other companies that have substantially greater financial and other resources than we do. In some markets, there is competition from national and regional firms against which we may not be able to compete on price. Our growth may be impacted to the extent that we are unable to successfully bid against these companies.

Our operating results could be adversely affected if our non-US operations became taxable in the United States.

If any income earned, currently or historically, by Willbros Group, Inc. or its non-US subsidiaries from operations outside the United States constituted income effectively connected with a US trade or business, and as a result became taxable in the United States, our consolidated operating results could be materially and adversely affected.

We are dependent upon the services of our executive management.

Our success depends heavily on the continued services of our executive management. Our management team is the nexus of our operational experience and customer relationships. Our ability to manage business risk and satisfy the expectations of our clients, stockholders and other stakeholders is dependent upon the collective experience and relationships of our management team. In addition, we do not maintain key man life insurance for these individuals. The loss or interruption of services provided by one or more of our senior officers could adversely affect our results of operations.

It may be difficult to enforce judgments which are predicated on the federal securities laws of the United States against us.

We are a corporation organized under the laws of the Republic of Panama. In addition, one of our current board members is a resident of Canada. Accordingly:

Ø it may not be possible to effect service of process on non-resident directors in the United States and to enforce judgments against them predicated on the civil liability provisions of the federal securities laws of the United States;

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- Ø because a substantial amount of our assets are located outside the United States, any judgment obtained against us in the United States may not be fully collectible in the United States; and
- Ø we have been advised that courts in the Republic of Panama will not enforce liabilities in original actions predicated solely on the US federal securities laws.

These factors mean that it may be more costly and difficult for you to recover fully any alleged damages that you may claim to have suffered due to alleged violations of US federal securities laws by us or our management than it would otherwise be in the case of a US corporation.

Our goodwill may become impaired.

We expect to have a substantial amount of goodwill following the completion of our pending acquisition of InServ. At least annually, we evaluate our goodwill for impairment based on the fair value of each operating unit. This estimated fair value could change if there were future changes in our capital structure, cost of debt, interest rates, capital expenditure levels or ability to perform at levels that were forecasted. These changes could result in an impairment that would require a material non-cash charge to our results of operations.

RISKS RELATED TO OUR COMMON STOCK

Our common stock, which is listed on the New York Stock Exchange, has from time to time experienced significant price and volume fluctuations. These fluctuations are likely to continue in the future, and you may not be able to resell your shares of common stock at or above the purchase price paid by you.

The market price of our common stock may change significantly in response to various factors and events beyond our control, including the following:

- Ø the risk factors described in this prospectus supplement;
- Ø a shortfall in operating revenue or net income from that expected by securities analysts and investors;
- Ø changes in securities analysts' estimates of our financial performance or the financial performance of our competitors or companies in our industry generally;
- Ø general conditions in our customers' industries; and
- Ø general conditions in the securities markets.

Our stockholder rights plan, articles of incorporation and by-laws may inhibit a takeover, which may adversely affect the performance of our stock.

Our stockholder rights plan and provisions of our articles of incorporation and by-laws may discourage unsolicited takeover proposals or make it more difficult for a third party to acquire us, which may adversely affect the price that investors might be willing to pay for our common stock. For example, our articles of incorporation and by-laws:

- Ø provide for restrictions on the transfer of any shares of common stock to prevent us from becoming a controlled foreign corporation under US tax law;
- Ø provide for a classified board of directors, which allows only one-third of our directors to be elected each year;
- Ø restrict the ability of stockholders to take action by written consent;
- Ø establish advance notice requirements for nominations for election to our Board of Directors; and
- Ø authorize our Board of Directors to designate the terms of and issue new series of preferred stock.

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Risk factors

We also have a stockholder rights plan which gives holders of our common stock the right to purchase additional shares of our capital stock if a potential acquirer purchases or announces a tender or exchange offer to purchase 15 percent or more of our outstanding common stock. The rights issued under the stockholder rights plan would cause substantial dilution to a person or group that attempts to acquire us on terms not approved in advance by our Board of Directors.

Future sales of our common stock may depress our stock price.

Sales of a substantial number of shares of our common stock in the public market or otherwise, either by us, a member of management or a major stockholder, or the perception that these sales could occur, may depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

In the event we issue stock as consideration for certain acquisitions, we may dilute share ownership.

We grow our business organically as well as through acquisitions. One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. If we do issue additional equity securities, such issuances may have the effect of diluting our earnings per share as well as our existing stockholders individual ownership percentages in our company.

Our prior sale of common stock, warrants and convertible notes, and our outstanding warrants and convertible notes may lead to further dilution of our issued and outstanding stock.

In October 2006, we sold 3,722,360 shares of our common stock and warrants to purchase an additional 558,354 shares. The recent issuance of warrants and the prior issuance of \$70.0 million in aggregate principal amount of our 2.75% Notes and \$84.5 million of our 6.5% Notes may cause a significant increase in the number of shares of common stock currently outstanding. In May 2007, we induced the conversion of approximately \$52.5 million in aggregate principal amount of our outstanding 6.5% Notes into a total of 2,987,582 shares of our common stock and may elect to enter into similar transactions in the future. If we agree to induce the conversion of additional convertible notes, we may cause a significant additional increase in the number of shares of common stock currently outstanding.

In August 2006, our stockholders approved an increase in our authorized shares of common stock from 35 million to 70 million shares. The issuance of additional common stock or securities convertible into our common stock would result in further dilution of the ownership interest in us held by existing stockholders. We are authorized to issue, without stockholder approval, one million shares of Class A preferred stock, which may give other stockholders dividend, conversion, voting and liquidation rights, among other rights, which may be superior to the rights of holders of our common stock. Our Board of Directors has no present intention of issuing any such Class A preferred stock, but reserves the right to do so in the future.

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Special note regarding forward-looking statements

This prospectus supplement and accompanying prospectus, including the documents that we incorporate by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this prospectus supplement and accompanying prospectus that address activities, events or developments which we expect or anticipate will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), oil, gas, gas liquids and power prices, demand for our services, the amount and nature of future investments by governments, expansion and other development trends of the oil, gas and power industries, business strategy, expansion and growth of our business and operations, the outcome of government investigations and legal proceedings and other such matters are forward-looking statements. These forward-looking statements are based on assumptions and analyses we made in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties. As a result, actual results could differ materially from our expectations. Factors that could cause actual results to differ from those contemplated by our forward-looking statements include, but are not limited to, the following:

- Ø difficulties we may encounter in connection with the recently completed sale and disposition of our Nigeria assets and Nigeria based operations, including without limitation, obtaining indemnification for any losses we may experience if claims are made against any corporate guarantees we provided and which remained in place subsequent to the closing;
- Ø the consequences we may encounter if our settlements in principle with the DOJ and the SEC are finalized, including the imposition of civil or criminal fines, penalties, disgorgement of profits, monitoring arrangements, or other sanctions that might be imposed as a result of government investigations;
- Ø the consequences we may encounter if our settlements in principle with the DOJ and the SEC are not finalized, including the loss of eligibility to bid for and obtain US government contracts, and other civil and criminal sanctions which may exceed the current amount we have estimated and reserved in connection with the settlements in principle;
- Ø the commencement by foreign governmental authorities of investigations into the actions of our current and former employees, and the determination that such actions constituted violations of foreign law;
- Ø the dishonesty of employees and/or other representatives or their refusal to abide by applicable laws and our established policies and rules;
- Ø adverse weather conditions not anticipated in bids and estimates;
- Ø project cost overruns, unforeseen schedule delays, and the application of liquidated damages;
- Ø cancellation of projects, in whole or in part;
- Ø failing to realize cost recoveries from projects completed or in progress within a reasonable period after completion of the relevant project;
- Ø

inability to hire and retain sufficient skilled labor to execute our current work, our work in backlog and future work we have not yet been awarded;

Ø inability to execute cost-reimbursable projects within the target cost, thus eroding contract margin but not contract income on the project;

Ø curtailment of capital expenditures in the oil, gas and power industries;

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Forward-looking statements

- Ø political or social circumstances impeding the progress of our work and increasing the cost of performance;
- Ø failure to obtain the timely award of one or more projects;
- Ø inability to identify and acquire suitable acquisition targets on reasonable terms;
- Ø inability to obtain adequate financing;
- Ø inability to obtain sufficient surety bonds or letters of credit;
- Ø loss of the services of key management personnel;
- Ø the demand for energy moderating or diminishing;
- Ø downturns in general economic, market or business conditions in our target markets;
- Ø changes in the effective tax rate in countries where our work will be performed;
- Ø changes in applicable laws or regulations, or changed interpretations thereof;
- Ø changes in the scope of our expected insurance coverage;
- Ø inability to manage insurable risk at an affordable cost;
- Ø the occurrence of the risk factors listed elsewhere or incorporated by reference in this prospectus supplement and accompanying prospectus; and
- Ø other factors, most of which are beyond our control.

Consequently, all of the forward-looking statements made or incorporated by reference in this prospectus supplement and accompanying prospectus are qualified by these cautionary statements and there can be no assurance that the actual results or developments we anticipate will be realized or, even if substantially realized, that they will have the consequences for, or effects on, our business or operations that we anticipate today. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this prospectus supplement. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this prospectus supplement or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we file from time to time with the SEC. See **Where You Can Find More Information** in the accompanying prospectus.

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Use of proceeds

We estimate that the net proceeds to us from the sale of the 6,875,000 shares of common stock we are offering will be approximately \$220.5 million, at a public offering price of \$34.00 per share and after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, we estimate the net proceeds to us will be approximately \$253.8 million.

We plan to use approximately \$202.5 million of the net proceeds from this offering to fund the cash portion of the purchase price for our pending acquisition of InServ. See Pending acquisition. We will use the remainder of the net proceeds to fund our capital expenditures and working capital requirements to support our growing backlog and to fund additional possible acquisitions of assets and businesses which would complement our capabilities.

Pending any ultimate use of any portion of the proceeds from this offering, we intend to invest the proceeds in a variety of capital preservation investments, including short-term, interest-bearing instruments such as US government securities and municipal bonds.

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Capitalization

The following table sets forth, as of September 30, 2007:

- Ø in the Actual column, our cash, cash equivalents, short-term investments and capitalization; and
- Ø in the Pro forma column, our cash, cash equivalents, short-term investments and capitalization on an adjusted basis to give effect to, in addition to the effects of the acquisition of InServ for \$225 million, of which \$202.5 million will be paid in cash and the balance paid in Willbros Group, Inc. common stock, the receipt by us of an additional \$16.8 million in net proceeds of this offering in excess of the proceeds used to fund the InServ acquisition.

(in thousands, except per share data)	As of September 30, 2007	
	Actual	Pro forma
	(unaudited)	
Cash, cash equivalents and short-term investments	\$ 58,709	\$ 78,376
Total debt	139,372	145,298
Stockholders' equity:		
Common stock, \$0.05 par value per share; 70 million shares authorized; 29,131,831 shares issued and outstanding, actual; 36,644,306 shares issued and outstanding, as adjusted	1,467	1,843
Capital in excess of par value	273,840	516,440
Accumulated deficit	(181,912)	(181,912)
Accumulated other comprehensive income	15,730	15,730
Treasury stock	(2,667)	(2,667)
Total stockholders' equity	106,458	349,434
Total capitalization	\$ 245,830	\$ 494,732

The table above should be read in conjunction with our consolidated financial statements and related notes included in this prospectus supplement. This table excludes:

- Ø 686,750 shares of our common stock issuable upon exercise of options outstanding as of September 30, 2007, at a weighted average exercise price of \$13.69 per share, of which options to purchase 512,583 shares were exercisable as of that date at a weighted average exercise price of \$12.22 per share;
- Ø 558,354 shares of our common stock issuable upon exercise of warrants outstanding as of September 30, 2007, at the current exercise price of \$19.03 per share, all of which warrants were exercisable as of that date;
- Ø 1,825,589 shares of our common stock issuable upon conversion of approximately \$32.1 million in aggregate principal amount of our 6.5% Notes, and 3,595,277 shares of our common stock issuable upon conversion of \$70.0 million in aggregate principal amount of our 2.75% Notes, each at the respective conversion price currently

in effect;

Ø 458,798 shares of our common stock available for future grant under the 1996 Stock Plan and the 2006 Director Restricted Stock Plan as of September 30, 2007; and

Ø 1,031,250 shares of our common stock that may be purchased by the underwriters to cover over-allotments, if any.

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Price range of common stock

Our common stock is traded publicly on the New York Stock Exchange under the symbol WG. The following table presents quarterly information on the price range of our common stock. This information indicates the high and low sales prices reported by the New York Stock Exchange.

	High	Low
Fiscal year ended December 31, 2005		
First quarter	\$ 24.52	\$ 18.68
Second quarter	20.66	10.15
Third quarter	17.80	14.14
Fourth quarter	17.73	14.13
Fiscal year ended December 31, 2006		
First quarter	\$ 21.23	\$ 14.46
Second quarter	24.53	17.38
Third quarter	19.47	15.00
Fourth quarter	19.93	14.00
Fiscal year ended December 31, 2007		
First quarter	\$ 23.13	\$ 17.88
Second quarter	30.63	21.86
Third quarter	34.48	22.96
Fourth quarter (through November 14, 2007)	43.53	32.30

Substantially all of our stockholders maintain their shares in street name accounts and are not, individually, stockholders of record. As of September 30, 2007, our common stock was held by 91 holders of record and an estimated 7,000 to 8,000 beneficial owners. On November 14, 2007, the last sale price reported on the New York Stock Exchange for our common stock was \$35.66 per share.

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Dividend policy

Since 1991, we have not paid any cash dividends on our capital stock, except dividends in 1996 on our outstanding shares of preferred stock, which were converted into shares of common stock on July 15, 1996. We anticipate that we will retain earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Our 2007 Credit Facility prohibits us from paying cash dividends on our common stock.

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Table of Contents**Dilution**

If you invest in our common stock, you will experience dilution to the extent of the difference between the public offering price per share you pay in this offering and the net tangible book value per share of our common stock immediately after this offering. Our net tangible book value as of September 30, 2007 was approximately \$93.3 million, or \$3.20 per share of common stock. Net tangible book value per share is equal to our total tangible assets minus total liabilities, all divided by the number of shares of common stock outstanding as of September 30, 2007. After giving effect to the sale of the 6,875,000 shares of common stock we are offering at a public offering price of \$34.00 per share, and after deducting underwriting discounts and commissions and our estimated offering expenses, our as adjusted net tangible book value would be approximately \$313.8 million, or approximately \$8.71 per share of common stock. This represents an immediate increase in net tangible book value of approximately \$5.51 per share to existing stockholders and an immediate dilution of approximately \$25.29 per share to new investors. The following table illustrates this calculation on a per share basis:

Public offering price per share		\$ 34.00
Net tangible book value per share as of September 30, 2007	\$ 3.20	
Increase per share attributable to the offering	5.51	
As adjusted net tangible book value per share after this offering		8.71
Dilution per share to new investors		\$ 25.29

If the underwriters exercise their over-allotment option in full, as adjusted net tangible book value would increase to approximately \$9.37 per share, representing an increase to existing stockholders of approximately \$6.17 per share, and there would be an immediate dilution of approximately \$24.63 per share to new investors.

The number of shares of common stock outstanding used for existing stockholders in the table and calculations above is based on shares outstanding as of September 30, 2007 and excludes:

- Ø 686,750 shares of our common stock issuable upon exercise of options outstanding as of September 30, 2007, at a weighted average exercise price of \$13.69 per share, of which options to purchase 512,583 shares were exercisable as of that date at a weighted average exercise price of \$12.22 per share;
- Ø 558,354 shares of our common stock issuable upon exercise of warrants outstanding as of September 30, 2007, at the current exercise price of \$19.03 per share, all of which warrants were exercisable as of that date;
- Ø 1,825,589 shares of our common stock issuable upon conversion of approximately \$32.1 million in aggregate principal amount of our 6.5% Notes, and 3,595,277 shares of our common stock issuable upon conversion of \$70.0 million in aggregate principal amount of our 2.75% Notes, each at the respective conversion price currently in effect; and
- Ø 458,798 shares of our common stock available for future grant under the 1996 Stock Plan and the 2006 Director Restricted Stock Plan as of September 30, 2007.

The exercise of outstanding options and warrants and the conversion of convertible notes having an exercise price less than the public offering price will increase dilution to new investors.

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Pending acquisition

OVERVIEW

On October 31, 2007, our subsidiary, Willbros USA, Inc., entered into a definitive agreement for the purchase of all the issued and outstanding equity interests of InServ, an Oklahoma limited liability company. Headquartered in Tulsa, Oklahoma, InServ is a fully integrated solutions provider of turnaround, maintenance and capital projects for the hydrocarbon processing and petrochemical industries. InServ's core competencies include: