WILLBROS GROUP INC
Form 10-K405
April 02, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-11953

WILLBROS GROUP, INC.
(Exact name of registrant as specified in its charter)

REPUBLIC OF PANAMA	98-0160660
(Jurisdiction of incorporation)	(I.R.S. Employer Identification Number)

PLAZA BANCOMER BUILDING
50TH STREET, 8TH FLOOR
APARTADO 6307
PANAMA 5, REPUBLIC OF PANAMA
TELEPHONE NO.: (507) 213-0947
(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, $.05 Par Value	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of March 22, 2001, 14,205,976 shares of the Registrant's Common Stock were outstanding, and the aggregate market value of the Common Stock held by non-affiliates was approximately $124,907,999.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended December 31, 2000, are incorporated by reference into Parts I and II of this Form 10-K.

Portions of the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held May 9, 2001 are incorporated by reference into Part III of this Form 10-K.

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WILLBROS GROUP, INC.

FORM 10-K

YEAR ENDED DECEMBER 31, 2000

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FORWARD-LOOKING STATEMENTS

THIS FORM 10-K INCLUDES "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 FORM 10-K WHICH ADDRESS ACTIVITIES, EVENTS OR DEVELOPMENTS WHICH THE COMPANY EXPECTS OR ANTICIPATES WILL OR MAY OCCUR IN THE FUTURE, INCLUDING SUCH THINGS AS FUTURE CAPITAL EXPENDITURES (INCLUDING THE AMOUNT AND NATURE THEREOF), OIL, GAS AND POWER PRICES AND DEMAND, EXPANSION AND OTHER DEVELOPMENT TRENDS OF THE OIL, GAS AND POWER INDUSTRIES, BUSINESS STRATEGY, EXPANSION AND GROWTH OF THE COMPANY'S BUSINESS AND OPERATIONS, AND OTHER SUCH MATTERS ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS ARE BASED ON CERTAIN ASSUMPTIONS AND ANALYSES MADE BY THE COMPANY IN LIGHT OF ITS EXPERIENCE AND ITS PERCEPTION OF HISTORICAL TRENDS, CURRENT CONDITIONS AND EXPECTED FUTURE DEVELOPMENTS AS WELL AS OTHER FACTORS IT BELIEVES ARE APPROPRIATE IN THE CIRCUMSTANCES. HOWEVER, WHETHER ACTUAL RESULTS AND DEVELOPMENTS WILL CONFORM WITH THE COMPANY'S EXPECTATIONS AND PREDICTIONS IS SUBJECT TO A NUMBER OF RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE COMPANY'S EXPECTATIONS INCLUDING THE TIMELY AWARD OF ONE OR MORE PROJECTS; CANCELLATION OF PROJECTS; EXCEEDING PROJECT COST AND SCHEDULED TARGETS; FAILING TO REALIZE COST RECOVERIES FROM PROJECTS COMPLETED OR IN PROGRESS WITHIN A REASONABLE PERIOD AFTER COMPLETION OF THE RELEVANT PROJECT; IDENTIFYING AND ACQUIRING SUITABLE ACQUISITION TARGETS ON REASONABLE TERMS; OBTAINING ADEQUATE FINANCING; THE DEMAND FOR ENERGY DIMINISHING; POLITICAL CIRCUMSTANCES IMPEDING THE PROGRESS OF WORK; GENERAL ECONOMIC, MARKET OR BUSINESS CONDITIONS; CHANGES IN LAWS OR REGULATIONS; THE RISK FACTORS LISTED IN THIS FORM 10-K AND LISTED FROM TIME TO TIME IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION; AND OTHER FACTORS, MOST OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. CONSEQUENTLY, ALL OF THE FORWARD-LOOKING STATEMENTS MADE IN THIS FORM 10-K ARE QUALIFIED BY THESE CAUTIONARY STATEMENTS AND THERE CAN BE NO ASSURANCE THAT THE ACTUAL RESULTS OR DEVELOPMENTS ANTICIPATED BY THE COMPANY WILL BE REALIZED OR, EVEN IF SUBSTANTIALLY REALIZED, THAT THEY WILL HAVE THE EXPECTED CONSEQUENCES TO OR EFFECTS ON THE COMPANY OR ITS BUSINESS OR OPERATIONS. THE COMPANY ASSUMES NO OBLIGATION TO UPDATE PUBLICLY ANY SUCH FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES

GENERAL

Willbros Group, Inc. and all of its majority-owned subsidiaries (the "Company") is one of the leading independent contractors serving the oil, gas and power industries, providing construction, engineering and specialty services to industry and government entities worldwide. The Company places particular emphasis on projects in developing countries where the Company believes its experience gives it a competitive advantage. The Company's construction services include the building and replacement of major pipelines and gathering systems, flow stations, pump stations, gas compressor stations, gas processing facilities, oil and gas production facilities, piers, dock facilities and bridges. The Company's engineering services include feasibility studies, conceptual and detailed design, field services, material procurement and overall project management. The Company's specialty services include dredging, pipe coating, pipe double jointing, removal and installation of flowlines, fabrication of piles and platforms, maintenance and repair of pipelines, stations and other facilities, pipeline rehabilitation, general oilfield services, transport of oilfield equipment, rigs and vessels and facility operations. The Company's backlog was $373.9 million at December 31, 2000, compared to $253.1 million at December 31, 1999.

The Company provides its services utilizing a large fleet of Company-owned equipment comprised of, among other things, marine vessels, barges, dredges, pipelaying equipment, heavy construction equipment, transportation equipment and camp equipment. At March 12, 2001, the Company had approximately 625 units of heavy construction equipment, 843 units of transportation equipment and 5,025 units of support equipment. The Company's equipment fleet is supported by warehouses of spare parts and tools, which are located to maximize availability and minimize cost.

The Company traces its roots to the construction business of Williams Brothers Company, founded in 1908. Through successors to that business, Willbros has completed many landmark projects around the world, including the "Big Inch" and "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-Alaskan Pipeline System (1974-76), the All American Pipeline System (1984-86), Colombia's Alto Magdalena Pipeline System (1989-90), and a portion of the Pacific Gas Transmission System expansion (1992-93). In September 2000, the Company, though a joint venture led by a subsidiary of the Company, was awarded yet another landmark project, the scope of which includes the engineering, procurement and construction ("EPC") of a 665-mile (1,070 kilometer), 30-inch crude oil pipeline from the Doba Fields in Chad to an export terminal on the coast of Cameroon in Africa (the "Chad-Cameroon Pipeline Project").

Over the years, Willbros has been employed by more than 400 clients to carry out work in 55 countries. Within the past 10 years, Willbros has worked in Africa, Asia, Australia, the Middle East, North America and South America. Willbros' relatively steady base of ongoing construction, engineering and specialty services operations in Nigeria, Oman, the United States and Venezuela has been enhanced by major construction and engineering projects in Abu Dhabi, Australia, Cameroon, Colombia, Egypt, Gabon, Indonesia, Ivory Coast, Kuwait, Morocco, Nigeria, Oman, Pakistan, Russia, the United States and Venezuela.

Representative clients (or affiliates of clients) of the Company include Royal Dutch Shell; Asamera (Overseas) Limited; Apache Cote d'lvoire; Pecten Cameroon; Bilfinger + Berger; Conoco; Chevron; Kuwait Oil Company; Abu Dhabi

National Oil Company; U.S. Army; U.S. Navy; Pacific Gas & Electric; Petroleum Development Oman; Enron; El Paso Energy; Petroleos de Venezuela S.A. ("PDVSA"); Transredes; Occidental Petroleum; Duke Energy; Great Lakes Gas Transmission Company; E.N.I.; The Williams Companies; Nigerian National Petroleum Corporation ("NNPC"); and the Pak-Arab Refinery, Ltd. ("PARCO"). Private sector clients such as Royal Dutch Shell have historically accounted for the majority of the Company's revenue. Government entities and agencies, such as Kuwait Oil Company, U.S. Army, U.S. Navy, NNPC and PDVSA, have accounted for the remainder. Ten clients were responsible for 84%

of the Company's total revenue in 2000 (67% in 1999 and 78% in 1998). Operating units of Royal Dutch Shell accounted for 44% and Duke Energy accounted for 11% of the Company's total revenue in 2000.

The Company is incorporated in the Republic of Panama and maintains its headquarters at Plaza Bancomer Building, 50th Street, 8th Floor, Apartado 6307, Panama 5, Republic of Panama; its telephone number is (507) 213-0947. Administrative services for the Company are provided by Willbros USA, Inc., whose administrative headquarters is located at 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027 and telephone number is (713) 403-8000.

CURRENT MARKET CONDITIONS

The world's economies have begun their recovery following the downturn of 1997-98. This fact, along with current oil and gas prices, suggests that many significant development projects and energy infrastructure projects will now likely proceed, including a number of projects in emerging markets which were put on hold over the past two to three years. Activity in the Company's key markets appears to be improving and management believes the Chad-Cameroon Pipeline Project awarded in September 2000 is the first of several major projects which will characterize this cycle in the industry. These projects include natural gas, crude oil and petroleum products pipeline systems, LNG projects and ancillary projects. Industry sources estimate that worldwide pipeline construction expenditures will be approximately $17.0 billion for projects completed in 2001 and another $63.5 billion for projects planned to be completed after 2001.

The Company believes that certain of these projects will meet its bidding criteria, and that the Company's worldwide pipeline construction, engineering and specialty services experience places it in an advantageous position to compete for such projects. The Company currently has a number of significant bids outstanding with respect to potential contract awards in Bolivia, Cameroon, Chad, Ecuador, Nigeria, Oman, the United States and Venezuela. The Company is currently preparing bids with respect to potential contract awards in Abu Dhabi, Nigeria, Oman, Saudi Arabia, the United States and Venezuela. Finally, the Company expects to prepare and submit bids with respect to certain other potential construction and engineering projects in Africa, Asia, the Middle East, North America and South America during 2001.

Over the long term, the Company believes several factors influencing the global energy market have led to and will continue to result in increased activity across the types of service it provides. The factors leading to higher levels of energy-related capital expenditures include: (a) rising global energy demand resulting from economic growth in developing countries; (b) the privatization of certain state-controlled oil and gas companies; (c) the need for larger oil and gas transportation infrastructures in a number of developing countries, and (d) the increasing role of natural gas as a fuel for power generation.

BUSINESS STRATEGY

The Company seeks to maximize stockholder value through its business strategy. The core elements of this strategy are: (a) to concentrate on projects and prospects in areas where it can be most competitive and obtain the highest profit margins; (b) pursue engineer-procure-construct contracts with a renewed vigor because they can often yield higher profit margins than construction-only contracts; (c) focus on performance and project execution in order to maximize the profit potential on each contract awarded; (d) maintain its commitment to safety and quality; (e) develop alliances with companies who will enhance its capability and competitiveness in markets throughout the world, and (f) pursue growth through expansion, mergers, acquisitions and equity investments while maintaining a strong balance sheet.

In pursuing this strategy, the Company relies on the competitive advantage gained from its experience in completing logistically complex and technically difficult projects in remote areas with difficult terrain and harsh climatic conditions, and its experienced multinational work force of approximately 2,200 employees, of whom more than 80 percent are citizens of the respective countries in which they work. Recognizing our employees as our most sustainable competitive advantage, the Company continues to

invest in its employees to ensure that they have the training and tools needed to be successful in today's challenging environment.

The Company's short-term strategy during the past two years has been to reduce operating and overhead costs to a level that is justified by expected revenues. To accomplish this strategy, the Company downsized operations or offices in work countries where expected returns have not materialized, identified and sold surplus equipment and continues to evaluate administrative systems and employee benefits. The Company's long-term strategies remain unchanged. In carrying out the core elements of its long-term strategies, the Company builds from the following.

Geographic Area. The Company's objective is to maintain and enhance its presence in regions where it has developed a strong base of operations, such as Africa, the Middle East, North America and South America, by capitalizing on its local experience, established contacts with local customers and suppliers, and familiarity with local working conditions. In addition, the Company seeks to establish a presence in other strategically important areas, such as Algeria, Bolivia, Cameroon, Canada, Chad, Ecuador and Saudi Arabia as well as other selected areas. In pursuing this strategy, the Company seeks to identify a limited number of long-term niche markets in which the Company can outperform the competition and establish an advantageous position.

Strategic Alliances. The Company seeks to establish strategic alliances with companies whose resources, skills and strategies are complementary to and are likely to enhance the Company's business opportunities, including the formation of joint ventures and consortia to achieve competitive advantage and share risks. Such alliances have already been established in Argentina, Australia, Bolivia, Cameroon, Chad, Indonesia, Malaysia, Thailand, the United States and Venezuela. As a related strategy, the Company may decide to make an equity investment in a project in order to enhance its competitive position and/or maximize project returns. This strategy led in 1998 to the Company's Venezuelan subsidiary taking a 10 percent equity interest in a 16-year contract to operate, maintain and refurbish water injection facilities in Lake Maracaibo, Venezuela. Another example is, in 2000, a joint venture in which another of the Company's subsidiaries has a 50 percent equity interest received a contract for the construction of the Chad-Cameroon Pipeline Project.

Acquisitions. The Company seeks to identify, evaluate and acquire companies that offer growth opportunities and the ability to complement the Company's resources and capabilities. Consistent with this strategy, in January 2000, the Company acquired Rogers & Phillips, Inc., a closely held pipeline construction company in Houston, Texas with an experienced management team and a strong market position in the U.S. Gulf Coast area.

Quality Improvements. The Company's quality program enhances the Company's ability to meet the specific requirements of its customers through continuous improvement of all its business processes, while at the same time improving competitiveness and profitability. ISO 9000, an internationally recognized verification system for quality management, has in recent years been made a criterion for prequalification of contractors by certain clients and potential clients, and this trend is expected to continue. The certification process involves a rigorous review and audit of the Company's management processes and quality control procedures. Currently, four of the Company's key operating subsidiaries currently have ISO 9000 certification.

Conservative Financial Management. The Company emphasizes the maintenance of a conservative balance sheet in order to finance the development and growth of its business. The Company also seeks to obtain contracts that are likely to result in recurring revenues in order to partially mitigate the cyclical nature of its construction and engineering businesses. For example, the Company generally seeks to obtain specialty services contracts of more than one year in duration. Additionally, the Company acts to minimize its exposure to currency fluctuations through the use of U.S. dollar-denominated contracts whenever possible, by limiting payments in local currency to approximately the amount of local currency expenses, and otherwise by engaging in hedging activities such as purchasing foreign currency forward contracts. The Company had no forward contracts at December 31, 2000.

WILLBROS BACKGROUND

The Company is the successor to the pipeline construction business of Williams Brothers Company, which was started in 1908 by Miller and David Williams. In 1949, the business was reconstituted and acquired by the next generation of the Williams family. The resulting enterprise eventually became The Williams Companies, Inc., a major U.S. energy, communications and interstate natural gas and petroleum products transportation company ("Williams").

In 1975, Williams elected to discontinue its pipeline construction activities and, in December 1975, sold substantially all of the non-U.S. assets and entities comprising its pipeline construction division to a newly formed Panama corporation (eventually renamed "Willbros Group, Inc.") owned by employees of the division. In 1979, Willbros Group, Inc. retired its debt incurred in the acquisition by selling a 60 percent equity interest to Heerema Holding Construction, Inc. ("Heerema"). In 1986, Heerema acquired the balance of Willbros Group, Inc., which then operated as a wholly owned subsidiary of Heerema until April 1992.

In April 1992, Heerema sold Willbros Group, Inc. to a corporation formed December 31, 1991, in the Republic of Panama by members of the Company's management, certain other investors, and Heerema. Subsequently, the original Willbros Group, Inc. was dissolved into the acquiring corporation which was renamed "Willbros Group, Inc." In August 1996, the Company completed an initial public offering of Common Stock in which Heerema sold all of its shares of Common Stock; and in October 1997, the Company completed a secondary offering in which such other investors sold substantially all of their shares of Common

Stock.

The term "Willbros," as used in this Form 10-K, includes the Company, the original Willbros Group, Inc. and their predecessors in the pipeline construction business, as described above. All references in this Form 10-K to the "Company" refer to Willbros Group, Inc. ("WGI") and its consolidated subsidiaries.

WILLBROS MILESTONES

The following are selected milestones which Willbros has achieved:

1915 Began pipeline work in the United States.

1939 Began international pipeline work in Venezuela.

1942-44 Served as principal contractor on the "Big Inch" and "Little Big Inch" War Emergency Pipelines in the United States which delivered Gulf Coast crude oil to the Eastern Seaboard.

1947-48 Built the 370-mile (600-kilometer) Camiri to Sucre and Cochabamba crude oil pipeline in Bolivia.

1951 Completed the 400-mile (645-kilometer) western segment of the Trans-Arabian Pipeline System in Jordan, Syria and Lebanon.

1954-55 Built Alaska's first major pipeline system, consisting of 625 miles (1,000 kilometers) of petroleum products pipeline, housing, communications, two tank farms, five pump stations, and marine dock and loading facilities.

1956-57 Led a joint venture which constructed the 335-mile (535-kilometer) southern section of the Trans-Iranian Pipeline, a products pipeline system extending from Abadan to Tehran.

1958 Constructed pipelines and related facilities for the world's largest oil export terminal at Kharg Island, Iran.

1960 Built the first major liquefied petroleum gas pipeline system, the 2,175-mile (3,480-kilometer) Mid-America Pipeline in the United States, including six delivery terminals, two operating terminals, 13 pump stations, communications and cavern storage.

1962 Began operations in Nigeria with the commencement of construction of the TransNiger Pipeline, a 170-mile (275-kilometer) crude oil pipeline.

1964-65 Built the 390-mile (625-kilometer) Santa Cruz to Sica Sica crude oil pipeline in Bolivia. The highest altitude reached by this line is 14,760 feet (4,500 meters) above sea level, which management believes is higher than the altitude of any other pipeline in the world.

1965 Began operations in Oman with the commencement of construction of the 175-mile (280-kilometer) Fahud to Muscat crude oil pipeline system.

1967-68 Built the 190-mile (310-kilometer) Orito to Tumaco crude oil pipeline in Colombia, one of five Willbros crossings of the Andes Mountains, a project notable for the use of helicopters in high-altitude construction.

1969	Completed a gas gathering system and 105 miles (170 kilometers) of 42-inch trunkline for the Iranian Gas Trunkline Project (IGAT) in Iran to supply gas to the USSR.
1970-72	Built the Trans-Ecuadorian Pipeline, consisting of 315 miles (505 kilometers) of 20- and 26-inch pipeline, seven pump stations, four pressure-reducing stations and six storage tanks.
1974-76	Led a joint venture which built the northernmost 225 miles (365 kilometers) of the Trans- Alaskan Pipeline System.
1974-76	Led a joint venture which constructed 290 miles (465 kilometers) of pipeline and two pump stations in the difficult to access western Amazon basin of Peru.
1974-79	Designed and engineered the 500-mile (795-kilometer) Sarakhs-Neka gas transmission line in northeastern Iran.
1976-79	Acted as technical leader of a consortium which designed and supplied six modularized gas compressor stations totaling 726,000 horsepower for the 56-inch Urengoy to Chelyabinsk gas pipeline system in western Siberia.
1982-83	Built the Cortez carbon dioxide pipeline system in the southwestern United States, consisting of 505 miles (815 kilometers) of 30-inch pipe.
1984-86	Constructed, through a joint venture, the All American Pipeline System, a 1,240-mile (1,995-kilometer), 30-inch heated pipeline, including 23 pump stations, in the United States.
1984-95	Developed and furnished a rapid deployment fuel pipeline distribution and storage system for the U.S. Army which was used extensively and successfully in Saudi Arabia during Operation Desert Shield/Desert Storm in 1990/1991 and in Somalia during 1993.
1985-86	Built a 185-mile (300-kilometer), 24-inch crude oil pipeline from Ayacucho to Covenas in Colombia.
1987	Rebuilt 25 miles (40 kilometers) of the Trans-Ecuadorian crude oil pipeline within six months after major portions were destroyed by an earthquake.
1988-92	Performed project management, engineering, procurement and field support services to expand the Great Lakes Gas Transmission System in the northern United States. The expansion involved modifications to 13 compressor stations and the addition of 660 miles (1,060 kilometers) of 36-inch pipeline in 50 separate loops.
1989-90	Built the Alto Magdalena Pipeline System in Colombia, consisting of 250 miles (400 kilometers) of 20-inch crude oil pipeline, one pump station and a tank farm.

1989-92	Provided pipeline engineering and field support services for the Kern River Gas Transmission System, a 36-inch pipeline project extending over 685 miles (1,100 kilometers) of desert and mountains from Wyoming to California in the United States.

1992-93	Rebuilt oil field gathering systems in Kuwait as part of the post-war reconstruction effort.
1992-93	Built 150 miles (240 kilometers) of 42-inch pipeline in Oregon to expand the Pacific Gas Transmission System.
1992-94	Resumed activities in the C.I.S. Selected to develop export pipeline system for Caspian Pipeline Consortium from Tengiz field in Kazakstan to Black Sea oil terminal at Novorossiysk, Russia, and established a representative office and joint stock company in Russia.
1994	Re-entered Venezuela oil service market through the acquisition of Construcciones Acuaticas Mundiales, S.A. ("CAMSA").
1995	Entered into an agreement with a Japanese trading company providing for the joint development of projects in selected markets in Southeast Asia and established an office in Jakarta, Indonesia, to pursue major projects in the region.
1995-97	Executed two contracts in Pakistan for construction, material procurement and engineering of the MFM Pipeline Extension Project, which consisted of 225 miles (365 kilometers) of 18- and 16-inch multi-product pipeline and related facilities.
1996	Listed shares in an initial public offering of Common Stock on the NYSE under the symbol "WG."
1996-97	Achieved ISO Certification for seven operating companies.
1996-98	Performed an EPC contract with Asamera (Overseas) Limited to design and construct pipelines, flowlines and related facilities for the Corridor Block Gas Project located in southern Sumatra, Indonesia.
1997-98	Carried out a contract for the construction of 120 miles (200 kilometers) each of 36- and 20-inch pipelines in the Zuata Region of the Orinoco Belt in Venezuela.
1997-98	Executed a contract with an MW Kellogg joint venture for the construction of a 35-mile (55-kilometer) gas pipeline for a LNG plant in Kalimantan, Indonesia, furthering the Company's efforts to establish Indonesia as an ongoing work country.
1997-98	Completed an EPC contract for El Paso Natural Gas Company and Gasoductos de Chihuahua, a joint venture between El Paso and PEMEX, to construct a 45-mile (75-kilometer) gas pipeline system in Texas and Mexico.
1998	Made a 10 percent equity investment in a consortium which was awarded a 16-year contract to build, operate and transfer water injection facilities on Lake Maracaibo in Venezuela.
1998	Acquired a multi-purpose marine construction barge to pursue shallow water pipelay, utility and maintenance opportunities in offshore West Africa.
1999-00	Carried out a contract through a joint venture to construct a 492-mile (792-kilometer), 18-inch gas pipeline in Australia.
2000	Acquired Rogers & Phillips, Inc., a United States pipeline construction company.
2000	Awarded an EPC contract for the 665-mile (1,070 kilometer), 30-inch

crude oil Chad-Cameroon Pipeline Project, through a joint venture with Spie Capag(Jersey) Ltd.

2000 Relocated the Willbros USA, Inc. administrative headquarters from Tulsa, Oklahoma to Houston, Texas.

SERVICES PROVIDED

The Company operates in a single operating segment providing contract construction, engineering and specialty services to the oil, gas and power industries. The following table reflects the Company's contract revenue by type of service for 2000, 1999 and 1998.

	YEAR ENDED DECEMBER 31,				
	2000		1999		
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT
	(DOLLAR AMOUNTS IN THOUSANDS)				
Construction services	$192,270	61%	$ 67,690	38%	$185,995
Engineering services	58,709	19	70,500	40	63,258
Specialty services	63,311	20	38,374	22	32,365
Total	$314,290	100%	$176,564	100%	$281,618

Construction Services

The Company is one of the most experienced contractors serving the oil, gas and power industries. The Company's construction capabilities include the expertise to construct and replace large-diameter cross-country pipelines; to construct oil and gas production facilities, pump stations, flow stations, gas compressor stations, gas processing facilities and other related facilities; and to construct piers, docks and bridges.

Pipeline Construction. World demand for pipelines results from the need to move millions of barrels of crude oil and petroleum products and billions of cubic feet of natural gas to refiners, processors and consumers each day. Pipeline construction is capital-intensive, and the Company owns, operates and maintains a fleet of specialized equipment necessary for it to engage in the pipeline construction business. The Company focuses on pipeline construction activity in remote areas and harsh climates where it believes its experience gives it a competitive advantage. Willbros believes that it has constructed more miles of pipeline than any other private sector company.

The construction of a cross-country pipeline involves a number of sequential operations along the designated pipeline right-of-way. These operations are virtually the same for all overland pipelines, but personnel and equipment may vary widely depending upon such factors as the time required for completion, general climatic conditions, seasonal weather patterns, the number of road crossings, the number and size of river crossings, terrain considerations, extent of rock formations, density of heavy timber and amount of

swamp. Construction often involves separate crews to perform the following different functions: clear the right-of-way; grade the right-of-way; excavate a trench in which to bury the pipe; haul pipe to intermediate stockpiles from which stringing trucks carry pipe and place individual lengths (joints) of pipe alongside the ditch; bend pipe joints to conform to changes of direction and elevation; clean pipe ends and line up the succeeding joint; perform various welding operations; non-destructively inspect welds; clean pipe and apply anti-corrosion coatings; lower pipe into the ditch; backfill the ditch; bore and install highway and railroad crossings; drill, excavate or dredge and install pipeline river crossings; tie in all crossings to the pipeline; install mainline valve stations; conduct pressure testing; install cathodic protection system; and perform final clean up.

Special equipment and techniques are required to construct pipelines across wetlands. The Company uses swamp pipelaying methods extensively in Nigeria, where most of its construction operations are carried out in the Niger River delta. In addition to primary equipment such as laybarges, dredges and swamp backhoes, the Company has a substantial investment in support vessels, including tugboats, barges, supply boats and houseboats, which are required in order to maintain a capability in swamp pipeline construction.

Station Construction. Oil and gas companies require various facilities in the course of producing, processing, storing and moving oil and gas. The Company is experienced in and capable of constructing facilities such as pump stations, flow stations, gas processing facilities, gas compressor stations and metering stations. The Company is capable of building such facilities onshore, offshore, in shallow water or in swamp locations. The construction of station facilities, while not nearly as capital-intensive as pipeline construction, is generally characterized by complex logistics and scheduling, particularly on projects in locations where seasonal weather patterns limit construction options, and in countries where the importation process is difficult. Willbros' capabilities have been enhanced by its experience in dealing with such challenges in numerous countries around the world.

Marine Construction. The Company constructs and installs fixed drilling and production platforms in Venezuela, primarily in Lake Maracaibo, and is also capable of building bridges, docks, jetties and mooring or breasting dolphins. The Company's marine fleet includes pile driving barges, derrick barges and other vessels, which support marine construction operations. During 1998, the Company purchased a combination derrick/lay barge (the "Willbros 318") to perform shallow water pipelay and maintenance projects in offshore West Africa. This 300-foot (91-meter) barge is capable of laying up to 24-inch diameter pipe in up to 250-foot water depths.

Engineering Services

The Company provides engineering, project management and material procurement services to the oil, gas and power industries and government agencies. The Company specializes in providing engineering services to assist clients in constructing or expanding pipeline systems, compressor stations, pump stations, fuel storage facilities, and field gathering and production facilities. Through experience, the Company has developed expertise in addressing the unique engineering issues involved with pipeline systems and associated facilities to be installed where climatic conditions are extreme, where areas of environmental sensitivity must be crossed, where fluids which present extreme health hazards must be transported, and where fluids which present technical challenges regarding material selection are to be transported.

To complement its engineering services, the Company also provides a full

range of field services, including surveying, right-of-way acquisition, material receiving and control, construction inspection and facilities startup assistance. Such services are furnished to a number of oil, gas, power and government clients on a stand-alone basis; and, in addition, are provided as part of EPC contracts undertaken by the Company.

Climatic Constraints. In the design of pipelines and associated facilities to be installed in harsh environments, special provisions for metallurgy of materials and foundation design must be addressed. The Company is experienced in designing pipelines for arctic conditions, where permafrost and extremely low temperatures are prevalent, and for desert conditions, mountainous terrain and swamps.

Environmental Impact of River Crossings. The Company has considerable capability in designing pipeline crossings of rivers and streams in such a way as to minimize environmental impact. The Company possesses expertise to determine the optimal crossing techniques (e.g., open cut, directionally-drilled or overhead) and to develop site-specific construction methods to minimize bank erosion, sedimentation and other environmental impacts.

Seismic Design and Stress Analysis. Company engineers are experienced in seismic design of pipeline crossings of active faults and areas where liquefaction or slope instability may occur due to seismic events. Company engineers also carry out specialized stress analyses of piping systems that are subjected to expansion and contraction due to temperature changes, as well as loads from equipment and other sources.

Hazardous Materials. Special care must be taken in the design of pipeline systems transporting sour gas. Sour gas not only presents challenges regarding personnel safety (hydrogen sulfide leaks can be extremely hazardous), but also requires that material be specified to withstand highly corrosive conditions.

Hydraulics Analysis for Fluid Flow in Piping Systems. The Company employs engineers with the specialized knowledge necessary to address properly the effects of both steady state and transient flow conditions for a wide variety of fluids transported by pipelines (natural gas, crude oil, refined petroleum products, natural gas liquids, carbon dioxide and water). This expertise is important in optimizing the capital costs of pipeline projects where pipe material costs typically represent a significant portion of total project capital costs.

Natural Gas Transmission Systems. The expansion of the natural gas transportation network in the United States in recent years has been a major contributor to the engineering business of the Company. The Company believes it has established a strong position as a leading supplier of engineering services to natural gas pipeline transmission companies in the United States. Since 1988, Willbros has provided, or is providing, engineering services for ten major natural gas pipeline projects in the United States, totaling more than 7,679 miles (12,365 kilometers) of large diameter pipe for new systems and expansions of existing systems. During this same period, Willbros was also the engineering contractor for 33 compressor stations (or additions to existing stations) for 14 clients.

Liquids Pipelines and Storage Facility Design. Willbros has engineered a number of crude oil and refined petroleum products systems throughout the world, and has become recognized for its expertise in the engineering of systems for the storage and transportation of petroleum products and crude oil. In recent years, the Company has been responsible for the engineering of a major

expansion of a products pipeline system in the United States, involving 395 miles (640 kilometers) of pipeline in New Mexico and Texas. Currently, the Company is providing engineering and field services for conversion of a natural gas system in the Midwest United States, involving over 794 miles (1,279 kilometers) of 24-26-inch diameter pipeline to serve the upper Midwest with refined petroleum products.

U.S. Government Services. Since 1981, Willbros has established its position with U.S. government agencies as a leading engineering contractor for jet fuel storage and aircraft fueling facilities, having performed the engineering for major projects at seven U.S. military bases including three air bases outside the U.S. The award of these projects was based largely on contractor experience and personnel qualifications.

Design of Peripheral Systems. The Company's expertise extends to the engineering of a wide range of project peripherals, including various types of support buildings and utility systems, power generation and electrical transmission, communications systems, fire protection, water and sewage treatment, water transmission, roads and railroad sidings.

Material Procurement. Because material procurement plays such a critical part in the success of any project, the Company maintains an experienced staff to carry out material procurement activities. Material procurement services are provided to clients as a complement to the engineering services performed for a project. On engineering, procurement and construction contracts undertaken by the Company, material procurement is especially critical to the timely completion of construction. The Company maintains a computer-based material procurement, tracking and control system, which utilizes software enhanced to meet the Company's specific requirements.

Specialty Services

The Company provides a wide range of support and ancillary services related to the construction, operation, repair and rehabilitation of pipelines. Frequently, such services require the utilization of specialized equipment, which is costly and requires operating expertise. Due to the initial equipment cost and operating expertise required, many client companies contract for the use of such specialized equipment and experienced personnel. The Company owns and operates a variety of specialized equipment that is used to support construction projects and to provide a wide range of oilfield services. The following is a description of the primary types of specialty services.

Dredging. The Company conducts dredging operations on its own projects and as a subcontractor to other companies. Dredging equipment is required to pump sand to establish a land location in a swamp and to excavate trenches for pipelines in swamps or offshore locations and for river crossings. Dredging equipment is also used to maintain required depth of navigation channels for barges and other watercraft.

This maintenance dredging is often performed under annual or multi-year contracts. The Company owns a fleet of dredges, including cutter suction dredges and grab dredges, which are routinely used in Nigeria and can be readily deployed to other projects in the region.

Pipe Coating. The Company owns and operates coating equipment, which applies a variety of protective anti-corrosion coatings to the external surface of line pipe. The external coating is required to protect buried pipe in order to mitigate external corrosion.

Concrete Weight Coating. Pipelines installed in wetlands or marine environments must be heavy enough to offset the buoyancy forces on the buried pipeline to keep the pipeline from floating out of the ditch. The most effective method of achieving the required negative buoyancy is concrete coating applied over the anti-corrosion coating to a calculated thickness. The Company owns and operates a facility in Nigeria to apply concrete weight coating to line pipe.

Pipe Double-Jointing. Large diameter pipe for onshore pipeline projects is normally manufactured in 40-foot (12-meter) nominal lengths (joints) to facilitate ocean transportation. On long distance, large diameter pipeline projects, it is usually economical to weld two joints into an 80-foot (24-meter) double joint at a location or locations along the pipeline route. This technique reduces the amount of field welding by 50 percent, and, because welding is often the critical operation, it may accelerate construction of the pipeline. The double-joint welds are made with a semi-automatic submerged arc welding process, which produces high quality, consistent welds at lower costs than field welding. The Company owns two transportable self-contained double-joint plants, which can handle 24- to 48-inch diameter pipe and are used worldwide.

Piling. The Company's subsidiary in Venezuela specializes in the fabrication and installation of 36-inch concrete piles up to 220 feet (67 meters) in length. These piles are used to construct marine facilities such as drilling platforms, production platforms, bridges, docks, jetties and mooring or breasting dolphins. The Company also owns barges and pile driving equipment to install piles in Venezuela and Nigeria.

Marine Heavy Lift Services. The primary equipment used for offshore oil and gas production facilities is usually manufactured on skids at the vendor's shop and transported to the production site by ocean-going water craft. The Company owns a variety of heavy lift barges and tugs to transport such equipment from the receiving country port to the production location and to install the equipment on the platforms. Other services include marine salvage and dry-dock facilities for inland water barges.

Transport of Dry and Liquid Cargo. Exploration and production operations in marine environments require logistical support services to transport a variety of liquid and dry cargo to the work sites. The Company owns and operates a diversified fleet of marine equipment to provide transportation services to support these operations in Nigeria and Venezuela.

Rig Moves. Derricks used for drilling oil and gas wells and for well work-overs require heavy transportation equipment to move such equipment, tanks and storage vessels between well locations. The Company owns a fleet of heavy trucks and trailers, and provides transportation services to its clients in Oman and Venezuela.

Maintenance and Repair Services. The Company provides a wide range of other services including mechanical, electrical, instrumentation, civil works, road maintenance and provision of camp services for operating personnel associated with operation and maintenance of oil and gas gathering systems and production equipment.

Facility Operations. The Company, subsequent to the design, commissioning and start-up phases of contracts, provides facility operations services to those clients desiring third party operations of facilities.

GEOGRAPHIC REGIONS

The Company operates in the following geographic regions: Africa, Asia and

Australia, the Middle East, North America and South America. The following table reflects the Company's contract revenue by geographic region for 2000, 1999 and 1998.

	YEAR ENDED DECEMBER 31,				
	2000		1999		
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT
	(DOLLAR AMOUNTS IN THOUSANDS)				
Africa	$161,556	51%	$ 79,777	45%	$ 64,180
North America	92,998	30	42,981	24	91,801
South America	26,141	8	23,801	14	75,350
Asia and Australia	20,687	7	21,979	12	32,481
Middle East	12,908	4	8,026	5	17,806
Total	$314,290	100%	$176,564	100%	$281,618

See Note 13 to the Consolidated Financial Statements on page 40 of the Company's 2000 Annual Report to Stockholders (which is incorporated by reference herein) for additional information about the Company's operations in its work countries.

Africa

Africa has been and will continue to be an important strategic market for the Company. The Company believes that there will be opportunities to expand its business in Africa, particularly through the development of natural gas projects. There are large, potentially exploitable reserves of natural gas in West Africa, extending from the Ivory Coast to Angola. Depending upon the world market for natural gas and the availability of financing, the amount of potential new work could be substantial. The Company intends to maintain its presence in Africa and seeks to increase its share of available work. Willbros is currently monitoring or bidding major work prospects in Algeria, Cameroon, Chad, Gabon, Ghana, Mozambique, Nigeria and Tanzania.

Over the past 50 years, Willbros has completed major projects in a number of African countries including Algeria, Cameroon, Egypt, Gabon, Ivory Coast, Libya, Morocco and Nigeria. The Company has management staff resident in Africa, assisted by engineers, managers and craftsmen with extensive African experience, capable of providing construction expertise, repair and maintenance services, dredging operations, pipe coating and engineering support. Strong local relationships have enabled Willbros to satisfy the varied needs of its clientele in the region.

Willbros has had a continuous presence in Nigeria since 1962. The Company's activities in Nigeria are directed from a fully staffed operational base near Port Harcourt. This 150-acre site includes office and living facilities, equipment and vehicle repair shops, a marine jetty, warehouses and fabrication and lay-down areas for both Company and client materials and spare parts. The Company has diversified its range of services by adding dredging and pipe coating expertise. Having diverse yet complementary capabilities has often given the Company a competitive advantage on projects that contain several distinct work elements within the project's scope of work. For example, the Company believes that it is currently the only contractor operating in the Nigerian oil and gas sector capable, on its own, of executing a pipeline construction project

which requires yard coating of line pipe, installation of major water crossings, and both swamp and cross-country segments of pipeline.

The Company's current activities in Nigeria include two major EPC contracts for Shell: (a) the Nembe Creek gas gathering pipeline system, and (b) four concrete barge-mounted gas compressor facilities for Shell's Nembe Creek Associated Gas project. Other ongoing activities in Nigeria are multi-year contracts to provide dredging services and swamp flowline maintenance services.

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During 1998, the Company purchased the Willbros 318 to further diversify its range of services by pursuing shallow water pipelay, utility and maintenance opportunities in offshore West Africa. Since its purchase, the Company successfully completed several offshore projects including the installation of decks and other production facilities on two offshore platforms, five miles (7.5 kilometers) of 8-inch and 10-inch pipelines, a single-point mooring system and a 2-mile, 20-inch offshore pipeline, and performed various other services for Texaco.

Elsewhere in Africa, the Company completed a gas pipeline construction contract in Ivory Coast in January 1999 for Apache Cote d'lvoire. In September 2000, the Company, through a joint venture with Spie-Capag(Jersey) Ltd., was awarded a contract to construct the Chad-Cameroon Pipeline Project. The project scope includes engineering, procurement, and construction of a 665-mile (1,070-kilometer), 30-inch crude oil pipeline from the Doba fields in Chad to an export terminal on the coast of Cameroon. Engineering and procurement activities began in 2000. Pipeline construction is anticipated to begin in 2001 and end in 2003.

The Company's backlog in Africa was $230.8 million at December 31, 2000, compared to $150.2 million at December 31, 1999.

Asia and Australia

In June 1999, Duke Energy International awarded a $100 million gas pipeline construction contract in Australia to a consortium in which a Willbros operating subsidiary has a 35 percent interest. The 492-mile (792-kilometer), 18-inch pipeline, completed in 2000, transports natural gas from Longford, Victoria to Sydney.

In 1999, the Company completed contracts for Pak-Arab Refinery, Ltd. relating to the MFM Pipeline Extension Project in Pakistan. The contracts included the supply of project materials, the engineering and construction of 225 miles (365 kilometers) of 18- and 16-inch petroleum products pipeline, the expansion of an existing terminal (including 267,000 barrels of storage capacity), the addition of a new terminal and pump station (including 270,000 barrels of storage), the addition of a storage terminal (including 443,000 barrels of storage) and the design of a future pump station.

The relative abundance of undeveloped natural gas resources, along with environmental concerns, favors the use of natural gas for power generation and industrial and residential usage in Asia and Australia. However, recent economic and political difficulties in certain countries in the region have caused the Company to re-evaluate this market, resulting in downsizing of its Jakarta, Indonesia office to a minimum level. The Company continues to evaluate maintaining a presence in the region and continues to monitor work prospects.

The Company had no backlog in Asia and Australia at December 31, 2000, compared to $19.9 million at December 31, 1999.

Middle East

The Company believes that increased exploration and production activity in the Middle East will continue to be the primary factor influencing the construction of new energy transportation systems. The majority of future transportation projects in the region are expected to be centered around natural gas due to increased regional demand, governments' realization of gas as an important asset and an underdeveloped gas transportation infrastructure throughout the region. The Company is aggressively pursuing business opportunities throughout the Middle East and is currently bidding work or monitoring prospects in Abu Dhabi, Jordan, Kuwait, Oman, Qatar, Saudi Arabia and Yemen.

Willbros operations in the Middle East date back to 1948. It has worked in most of the countries in the region, with particularly heavy involvement in Iran, Kuwait, Oman and Saudi Arabia. Currently, the Company has ongoing operations in Oman, where Willbros has been active for more than 30 years. The Company maintains a fully staffed facility in Oman with equipment repair facilities and spare parts on site and offers construction expertise, repair and maintenance services, engineering support, oil field transport services, materials procurement and a variety of related services to its clients. In November 1999, the

Company was awarded a five-year contract by Oman LNG for general maintenance services. Other current operations in Oman include a general oilfield services contract for Occidental of Oman and an ad hoc services contract for Petroleum Development Oman ("PDO"). Work carried out in Oman during 2000 and 1999 includes pipeline construction, pipeline maintenance, mechanical services and flowline work.

The Company's backlog in the Middle East was $6.7 million at December 31, 2000, compared to $11.1 million at December 31, 1999. The Company has active call out service contracts in place in Oman under which it performs work for such clients as Occidental and PDO on an as needed basis. Such contracts are not reflected in backlog.

North America

Willbros has provided services to the U.S. oil and gas industry for more than 80 years. The Company believes that the United States will continue to be an important market for its services. Recent deregulation of the electric power and natural gas pipeline industries in the United States has led to the consolidation and reconfiguration of existing pipeline infrastructure and the establishment of new energy transport systems, which the Company expects will result in continued demand for its services. The demand for natural gas for industrial and power usage in the United States should increase the requirement to build new natural gas transportation infrastructure in the region. Supply to satisfy such market demand for natural gas will come from existing and new production in Western Canada, the Gulf of Mexico and the Canadian Atlantic offshore region. Environmental concerns will likely continue to require careful, thorough and specialized professional engineering and planning for all new facilities within the oil, gas and power sectors. Furthermore, the demand for replacement and rehabilitation of pipelines is expected to increase as pipeline systems in the United States approach the end of their design lives and population trends influence overall energy needs.

Willbros is recognized as an industry leader in the United States for providing state-of-the-art engineering and construction services. The Company maintains a staff of experienced management, construction, engineering and

support personnel in the United States. Currently, the Company is providing project management and engineering services for the following projects: the Gulfstream Natural Gas System to transport natural gas from southern Alabama and Mississippi to markets throughout central and south Florida; CMS Gas Transmission's Guardian Pipeline Project to transport natural gas from the Chicago area into Wisconsin; Southern Natural Gas Company's Southern Company Expansion Project to increase the capacity to transport natural gas in their existing system in Mississippi, Alabama and Georgia; the Trans-Union Interstate Pipeline Project to transport natural gas from Louisiana to a planned power plant in Arkansas; the Caballero Pipeline Project to transport natural gas from producing areas in northeastern New Mexico to a connecting pipeline in the Texas panhandle; and the Centennial Pipeline Project to convert an existing natural gas pipeline to transport refined petroleum products from the U.S. Gulf Coast to the Midwest United States.

Willbros has also provided significant engineering services to the U.S. Government during the past 15 years, particularly in fuel storage and distribution systems and aircraft fueling facilities. Currently, the Company owns and operates two fueling facilities at Ft. Bragg, North Carolina, which were constructed in 1998 by the Company. The Company completed a similar facility in 2000 at Twenty-nine Palms Marine Corps Base in California.

On January 24, 2000, the Company acquired Rogers & Phillips, Inc., a closely held pipeline construction company in Houston, Texas, with an experienced management team and a strong market position in the U.S. Gulf Coast area.

The Company's backlog in North America was $106.7 million at December 31, 2000, compared to $30.8 million at December 31, 1999.

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South America

Willbros' first entry into South America was in Venezuela in 1939. Recent developments involving political changes and privatization efforts in many of the South American countries make this region attractive to the Company. In particular, privatization and deregulation in this region are allowing more foreign and domestic private investment in the energy sector which, until recently, had traditionally been controlled by state-owned energy companies. In Argentina, Bolivia, Brazil, Chile and Peru, gas transportation projects will continue to evolve to meet increasing demand for gas for industrial and power usage in the rapidly growing urban areas. In Venezuela, Colombia and Ecuador, crude oil transportation systems will need to be built and upgraded so that the vast crude reserves in these countries can be efficiently exported to the world market. The Company is aggressively pursuing business opportunities throughout South America and currently bidding work or monitoring prospects in Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru and Venezuela.

Willbros has performed numerous major projects in South America, where its accomplishments include the construction of five major pipeline crossings of the Andes Mountains and setting a world altitude record for constructing a pipeline. Willbros' largest project in South America was a turnkey project for the procurement and construction of the Alto Magdalena Crude Oil Pipeline System in Colombia, awarded to Willbros in 1989 and completed in 1990.

Venezuela is the largest oil producer in South America. With conservative estimates of proven reserves of more than 72 billion barrels of oil, PDVSA's plans for the future include an increase in oil production from its current level of approximately 3.0 million barrels per day to approximately 6.0 million barrels per day by 2006.

In Venezuela, the Company maintains a fully staffed facility including offices, equipment, yard and dock facilities on a 15-acre waterfront site on Lake Maracaibo. Resident personnel provide services for both onshore and offshore projects. Services include pipeline construction, repair and maintenance services, fabrication and installation of concrete piles and platforms, marine related services, engineering support and other needed services. Major clients include international oil companies such as Shell, Occidental Petroleum, Chevron and operating subsidiaries of PDVSA, including Maraven, Corpoven and Lagoven. In 1998, the Company successfully completed a contract to construct 120 miles (200 kilometers) each of 36- and 20-inch pipelines originating from the Zuata Region of the Orinoco Belt for Petrozuata, a joint venture between Conoco and Maraven. Also during 1998, a consortium in which the Company holds a 10 percent equity interest was awarded a 16-year contract valued at $785.0 million to operate, maintain and refurbish the Lake Maracaibo water injection program for PDVSA Gas. In 2000, the Company completed the construction of a major crude oil, pumping station for Petrozuata. Current activities include operating, maintenance and refurbishment services for the above-mentioned consortium and recurring service and maintenance work for various clients.

The Company's backlog in South America was $29.7 million at December 31, 2000, compared to $41.1 million at December 31, 1999.

BACKLOG

The Company's backlog (anticipated revenue from the uncompleted portions of existing contracts and contracts whose award is reasonably assured) was $373.9 million at December 31, 2000, compared to $253.1 million at December 31, 1999. The Company believes the backlog figures are firm, subject only to the cancellation and modification provisions contained in various contracts. It is expected that approximately $178 million (48%) of the backlog existing at December 31, 2000, will be recognized in revenue during 2001. Historically, a substantial amount of the Company's revenue in a given year has not been reflected in its backlog at the beginning of that year; such revenue may result from contracts of long or short duration entered into during a year as well as from various contractual processes, including change orders, extra work, variations in the scope of work and the effect of escalation or currency fluctuation formulas. These revenue sources are not added to backlog until realization is assured.

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The following is a breakdown of the Company's backlog by geographic region as of December 31, 2000 and 1999:

	2000		1999	
	AMOUNT	PERCENT	AMOUNT	PERCENT
	(DOLLAR AMOUNTS IN THOUSANDS)			
Africa	$230,838	62%	$150,262	59%
North America	106,728	28	30,768	12
South America	29,670	8	41,138	16
Middle East	6,711	2	11,032	5
Asia and Australia	--	--	19,880	8
Total	$373,947	100%	$253,080	100%

The $120.9 million (48%) increase in backlog is due mainly to the addition of the Chad-Cameroon Pipeline Project and U.S. engineering and construction contracts, offset by work performed on the engineering procurement and construction of the Nembe Creek gas gathering projects in Nigeria, a three-year dredging contract in Nigeria, the construction and installation of five concrete water injection platforms in Venezuela, completion of the project in Australia and a mechanical service contract in Oman.

A substantial percentage of the Company's revenue in past years resulted from contracts entered into during that year or the immediately preceding year. The following table sets forth revenue for each of the last five years as a percentage of backlog at the beginning of each such year:

	BACKLOG AT JANUARY 1	REVENUE FOR YEAR ENDED DECEMBER 31	PERCENT
	(DOLLAR AMOUNTS IN THOUSANDS)		
1996	$139,359	$197,688	142%
1997	108,751	251,877	231
1998	135,797	281,618	207
1999	286,473	176,564	61
2000	253,080	314,290	124

No assurance can be given that future experience will be similar to historical results in this respect.

COMPETITION

The Company operates in a highly competitive environment. The Company competes against government-owned or supported companies and other companies that have financial and other resources substantially in excess of those available to the Company. In certain markets, there is competition from national and regional firms against which the Company may not be price competitive.

The Company's primary competitors on construction projects in developing countries include Entrepose (France), Mannesmann (Germany), CCC (Lebanon), Nippon Kokan (Japan), Saipem (Italy), Spie-Capag (France), Techint (Argentina) and Bechtel (U.S.). The Company believes that it is one of the few companies among its competitors possessing the ability to carry out large projects in developing countries on a turnkey basis (engineering, procurement and construction), without subcontracting major elements of the work. As a result, the Company may be more cost effective than its competitors in certain instances.

The Company has different competitors in different markets. In Nigeria, the Company competes for pipe coating work with Bredero Price (Netherlands), while its dredging competitors include Bos Kalis Westminster (Netherlands), Dredging International (Belgium), Bilfinger + Berger (Germany), Nigerian Dredging & Marine (Netherlands) and Ham Dredging (Netherlands). In Oman, competitors in oil field

transport services include Desert Line, Al Ahram, Hamdam and TruckOman, all Omani companies; and in construction and the installation of flowlines and mechanical services, the Company competes with Taylor Woodrow Towell (Britain), CCC (Lebanon), Dodsal (India), Saipem (Italy), Desert Line (Oman) and Galfar (Oman). In Venezuela, competitors in marine support services include Raymond de Venezuela, Petrolago, Flag Instalaciones and Siemogas, all Venezuelan companies. In Indonesia, major competitors include Saipem (Italy), Spie-Capag (France), McConnell Dowell (Australia) and Mannesmann (Germany).

In the United States, the Company's primary construction competitors on a national basis include Associated, Gregory & Cook, Henkels & McCoy, Murphy Brothers, H. C. Price, Sheehan and Welded. In addition, there are a number of regional competitors. Primary competitors for engineering services include Bechtel, Brown and Root, Gulf Interstate, Marmac, Fluor Daniel Williams Brothers, Mustang Engineering, Stone & Webster, Paragon Engineering, Trigon Engineering and Universal Ensco.

CONTRACT PROVISIONS AND SUBCONTRACTING

Most of the Company's revenues are derived from construction, engineering and specialty services contracts. The Company enters into four basic types of construction contracts: (a) firm fixed-price or lump sum fixed-price contracts providing for a single price for the total amount of work or for a number of fixed lump sums for the various work elements comprising the total price; (b) unit-price contracts which specify a price for each unit of work performed; (c) time and materials contracts under which personnel and equipment are provided under an agreed schedule of daily rates with other direct costs being reimbursable; and (d) a combination of the above (for example, lump sums for certain items and unit rates for others).

The Company enters into three types of engineering contracts: firm fixed-price or lump sum fixed-price contracts; time and materials contracts pursuant to which engineering services are provided under an agreed schedule of hourly rates for different categories of personnel, and materials and other direct costs are reimbursable; and cost-plus-fee contracts, common with U.S. government clients under which income is earned solely from the fee received. Cost-plus-fee contracts are often used for material procurement services.

Specialty services contracts generally are unit-price contracts, which specify a price payable per unit of work performed (e.g., per cubic meter, per lineal meter, etc.). Such contracts usually include hourly rates for various categories of personnel and equipment to be applied in cases where no unit price exists for a particular work element. Under a services contract, the client is typically responsible for supplying all materials; a cost-plus-percentage-fee provision is generally included in the contract to enable the client to direct the contractor to furnish certain materials.

The Company usually obtains contracts through competitive bidding or through negotiations with long-standing clients. The Company is typically invited to bid on projects undertaken by its clients who maintain approved bidder lists. Bidders are pre-qualified by virtue of their prior performance for such clients, as well as their experience, reputation for quality, safety record, financial strength and bonding capacity.

In evaluating bid opportunities, the Company considers such factors as the client, the geographic location and the difficulty of the work, the Company's current and projected workload, the likelihood of additional work, the project's cost and profitability estimates, and the Company's competitive advantage relative to other likely bidders. The Company uses a computer-based estimating system. The bid estimate forms the basis of a project budget against which performance is tracked through a project control system, enabling management to

monitor projects effectively. Project costs are accumulated weekly and monitored against billings and payments to facilitate cash flow management on the project.

All U.S. government contracts and many of the Company's other contracts provide for termination of the contract for the convenience of the client. In addition, many contracts are subject to certain completion schedule requirements that include liquidated damages in the event schedules are not met as the result of circumstances within the control of Willbros.

The Company acts as prime contractor on a majority of the construction projects it undertakes. In its capacity as prime contractor and when acting as a subcontractor, the Company performs most of the work on its projects with its own resources and typically subcontracts only such specialized activities as hazardous waste removal, non-destructive inspection, tank erection, catering and security. 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, the Company is subject to the risk associated with the failure of one or more subcontractors to perform as anticipated.

EMPLOYEES

The Company believes its employees are its most valuable asset and that their loyalty, productivity, pioneering spirit, work ethic and strong commitment in providing quality services have been crucial elements in the successes Willbros has achieved on numerous projects in remote, logistically challenging locations around the world.

At December 31, 2000, the Company employed a multi-national work force of approximately 2,200 persons, of which over 80% are citizens of the respective countries in which they work. Although the level of activity varies from year to year, Willbros has maintained an average work force of approximately 3,290 over the past five years. The minimum employment during that period has been 2,010 and the maximum 4,750. At December 31, 2000, approximately 56 percent of the Company's employees were covered by collective bargaining agreements. The Company believes its relations with its employees are good.

The following table sets forth the location of employees by work countries as of December 31, 2000:

	NUMBER O EMPLOYEE
Nigeria	1,177
Oman	401
Venezuela	180
U.S. Engineering	247
U.S. Construction	120
U.S. Administration	65
Other Countries	4
	2,194

EQUIPMENT

The Company owns and maintains a fleet of generally standardized construction, transportation and support equipment and spare parts. In 2000 and 1999, expenditures for capital equipment and spare parts were $15.4 million and $12.2 million, respectively. At December 31, 2000, the Company's net book value of property, plant, equipment and spare parts was $62.6 million. An estimated breakdown of the Company's major capital equipment at March 12, 2001, is as follows: heavy construction equipment, 625 units; transportation equipment, 843 units; and support equipment, 5,025 units. During 2000, surplus equipment with a net book value of $5.3 million was sold for approximately $5.3 million.

Historically, the Company has preferred to own rather than lease equipment to ensure that standardized equipment is available as needed. The Company believes that ownership of standardized equipment has resulted in lower equipment costs. However, depending on market conditions, the availability of equipment and other considerations, the Company may from time to time pursue the leasing of equipment to support projects and may dispose of surplus equipment. The Company attempts to obtain projects that will keep its equipment fully utilized in order to increase profitability. All equipment is subject to scheduled maintenance to maximize fleet readiness. The Company has maintenance facilities at Port Harcourt, Nigeria; Azaiba, Oman; Maracaibo, Venezuela; and Broken Arrow, Oklahoma; as well as temporary site facilities on major jobs to minimize downtime.

FACILITIES

The Company owns a 14-acre equipment yard/maintenance facility and an adjoining 29-acre undeveloped industrial site at Broken Arrow, Oklahoma, a short distance from Tulsa, Oklahoma. In Venezuela, the Company's offices and construction facilities are located on 15 acres of land, which it owns, on the shores of Lake Maracaibo. The Company leases all other facilities used in its operations, including corporate offices in Panama; administrative and engineering offices in Tulsa, Oklahoma, and Houston, Texas; and various office facilities, equipment sites and expatriate housing units in Abu Dhabi, England, Nigeria, Oman, Egypt, Kuwait and Indonesia. Rent expense for these facilities was $3.2 million in 2000 and $2.3 million in 1999.

INSURANCE AND BONDING

The Company maintains workers' compensation, employers' liability, general liability, directors' and officers' liability, automobile liability, aircraft liability, marine liability and excess liability insurance to provide benefits to employees and to protect the Company against claims by third parties. Such insurance is underwritten by A+ or better rated insurance companies (AM Best rating as to claims paying ability) and, when possible, in loss-sensitive plans with return premiums for favorable loss experience. The Company also maintains physical damage insurance covering loss of or damage to Company property on a worldwide basis, with special insurance covering loss or damage caused by political or terrorist risks in locations where such coverage is deemed prudent. Formal risk management and safety programs are maintained, which have resulted in favorable loss ratios and cost savings. The Company believes its risk management, safety and insurance programs are adequate to meet its needs.

The Company is often required to provide surety bonds guaranteeing its performance and/or financial obligations. The amount of bonding available to the Company depends upon its experience and reputation in the industry, financial condition, backlog and management expertise, among other factors. The Company maintains relationships with two top-rated surety companies to provide surety

bonds.

POLITICAL AND ECONOMIC RISKS; OPERATIONAL RISKS

The Company currently has substantial operations and assets in developing countries in Africa, the Middle East and South America. Accordingly, the Company is subject to risks which ordinarily would not be expected to exist in the United States, Canada, Japan or western Europe. Some of these risks include foreign currency restrictions (such as those which existed in Venezuela until 1996), extreme exchange rate fluctuations (for example, in Venezuela and Nigeria), expropriation of assets, civil uprisings and riots, availability of suitable personnel and equipment, government instability and legal systems of decrees, laws, regulations, interpretations and court decisions which are not always fully developed and which may be retroactively applied. The Company's 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. The Company 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 the Company's results of operations for any quarter or year.

Given the unpredictable nature of the risks described in the preceding paragraph, there can be no assurance that such risks will not result in a loss of business which could have a material adverse effect on the Company's results of operations. The Company has attempted to mitigate the risks of doing business in developing countries by separately incorporating its operations in many such countries; working with local partners in certain countries; contracting whenever possible with major international oil and gas companies; obtaining sizeable down payments or securing payment guarantees; entering into contracts providing for payment in U.S. dollars instead of the local currency whenever possible; maintaining reserves for credit losses; maintaining insurance on equipment against certain political risks

and terrorism; and limiting its capital investment in each country. The Company retains local advisors to assist it in interpreting the laws, practices and customs of the countries in which the Company operates.

From time to time, international oil companies operating in Nigeria, including Royal Dutch Shell, have expressed concern over the Nigerian government's tardiness in meeting its payment obligations and have threatened to reduce their planned investments, and/or cut production, in Nigeria. In addition, indecision by the Nigerian government over agreeing to budget expenditure plans for oil companies involved in joint ventures with the Nigerian National Petroleum Corporation may also lead these companies to curtail their planned investments in Nigeria. Any such reduction in the level of investment or production could reduce the amount of contract work awarded in Nigeria, which could have a material adverse effect on the Company and its results of operations. The Company cannot predict whether any such actions will be taken in the future and, if taken, the extent to which such actions would impact current or future prospects of the Company in Nigeria.

In 1999, local protesters looted and vandalized a Company facility near Port Harcourt, Nigeria, and interfered with the Company's operations and progress on some ongoing projects. The Nigerian government intervened and restored order in the area. In 2000, there were periodic interruptions on some projects. The Company has successfully operated in Nigeria for the past 38 years with very favorable relationships with the local communities, and believes that

order can be maintained and that it can continue to operate in the area.

Due to the limited number of major projects worldwide, the Company may, at any one time, have a substantial portion of its resources dedicated to one country. The Company's results of operations are, therefore, susceptible to adverse events beyond its control, which may occur in a particular country in which the Company's business may be concentrated.

The Company's operations include pipeline construction, dredging, pipeline rehabilitation services, marine support services and the operation of vessels and heavy equipment. These operations involve a high degree of operational risk. Natural disasters, adverse weather conditions, collisions, and operator or navigational error could cause personal injury or loss of life, severe damage to and destruction of property, equipment and the environment and suspension of operations. In locations where the Company performs work with equipment that is owned by others, the 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. Litigation arising from the occurrence of any of these events could result in the Company being named as a defendant in lawsuits asserting substantial claims.

The Company maintains risk management and safety programs to mitigate the effects of loss or damage. While the Company maintains such insurance protection as it deems prudent, there can be no assurance that any such insurance will be sufficient or effective under all circumstances or against all hazards to which the Company may be subject. An enforceable claim for which the Company is not fully insured could have a material adverse effect on the Company. Moreover, no assurance can be given that the Company will be able to maintain adequate insurance in the future at rates that it considers reasonable.

GOVERNMENT REGULATIONS

General

Many aspects of the Company's operations are subject to government regulations in the countries in which the Company operates, including those relating to currency conversion and repatriation, taxation of its earnings and earnings of its personnel, and its use of local employees and suppliers. In addition, the Company depends on the demand for its services from the oil, gas and power industries and, therefore, is affected by changing taxes, price controls and laws and regulations relating to the oil, gas and power industries generally. The ability of the Organization of Petroleum Exporting Countries to meet and maintain production targets also influences the demand for the Company's services. The adoption of laws and regulations by countries in which the Company operates, curtailing exploration and development

drilling for oil and gas for economic and other policy reasons, could adversely affect the Company's operations by limiting demand for its services. The Company's operations are also subject to the risk of changes in foreign and U.S. laws and policies which may impose restrictions on the Company, including trade restrictions, which could have a material adverse effect on the Company's operations. Other types of government regulation which could, if enacted or implemented, adversely affect the Company's operations include expropriation or nationalization decrees, confiscatory tax systems, primary or secondary boycotts directed at specific countries or companies, embargoes, extensive import restrictions or other trade barriers, mandatory sourcing rules and unrealistically high labor rate and fuel price regulation. The Company cannot determine to what extent future operations and earnings of the Company may be

affected by new legislation, new regulations or changes in, or new interpretations of, existing regulations.

Environmental

The Company's operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. The Company regularly works 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 certain 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, the Company may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Such laws and regulations may expose the Company to liability arising out of the conduct of operations or conditions caused by others, or for the acts of the Company which were in compliance with all applicable laws at the time such acts were performed. The Company is not aware of any non-compliance with or liability under any environmental law that could have a material adverse effect on the Company's business or operations.

ITEM 3. LEGAL PROCEEDINGS

The Company is a party to a number of legal proceedings. The Company believes that the nature and number of these proceedings are typical for a firm of its size engaged in the Company's type of business and that none of these proceedings is material to the Company's financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of 2000 through the solicitation of proxies or otherwise.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding the executive officers and key personnel of the Company. Officers are elected annually by, and serve at the discretion of, the Board of Directors.

NAME	AGE	POSITION
Larry J. Bump.....	61	Director, Chairman of the Board of Directors and Chief Executive Officer
Michael F. Curran.....	60	Director, Vice Chairman of the Board of Directors, President and Chief Operating Officer
Melvin F. Spreitzer.....	62	Director, Executive Vice President, Chief Financial Officer and Treasurer
James R. Beasley.....	58	President of Willbros Engineers, Inc.
John N. Hove.....	53	General Counsel and Secretary

John K. Allcorn.....	39	Senior Vice President of Willbros International, Inc.
Warren L. Williams.....	45	Vice President of Willbros USA, Inc.
William R. Phillips.....	50	President and Chief Executive Officer of Rogers & Phill
Arthur J. West.....	57	Managing Director of Willbros (Overseas) Limited
Latif A. Razek.....	54	General Manager of The Oman Construction Company, LLC
J.B. Brown.....	38	General Manager of Constructora CAMSA, C.A.
J. K. Tillery.....	42	Managing Director of Willbros (Nigeria) Limited

LARRY J. BUMP joined Willbros in 1977 as President and Chief Operating Officer and was elected to the Board of Directors. He was named Chief Executive Officer in 1980 and elected Chairman of the Board of Directors in 1981. His 41-year career includes significant U.S. and international pipeline construction and management experience. Prior to joining Willbros, he managed major international projects in North Africa and the Middle East, and was Chief Executive Officer of a major international pipeline construction company. From 1985 until mid-1988, he also served as Chief Executive Officer of a major international marine engineering and construction company, which at that time was the controlling shareholder of Willbros.

MICHAEL F. CURRAN joined Willbros in 2000 as a Director, Vice Chairman of the Board of Directors, President and Chief Operating Officer. Mr. Curran has over 39 years of diversified experience in pipeline construction around the world, including 30 years as President and Chief Executive Officer of various U.S. and international pipeline construction firms.

MELVIN F. SPREITZER joined Willbros in 1974 as Controller and was elected Vice President of Finance in 1978. He was elected Executive Vice President, Chief Financial Officer and Treasurer in 1987, and a Director in 1992. He has over 44 years of experience in corporate finance and public accounting.

JAMES R. BEASLEY joined Willbros in 1981 when Willbros Engineers, Inc. ("WEI") was acquired. He was elected Vice President of WEI in 1981, Senior Vice President and General Manager of WEI in 1982 and President of WEI in 1986. Mr. Beasley has more than 30 years of experience in pipeline engineering and operations.

JOHN N. HOVE became General Counsel of Willbros in 1991. He was elected Secretary of Willbros in 1996. He has more than 29 years of experience as a lawyer and has provided legal assistance to Willbros since 1973. Prior to 1991, he was a shareholder in a law firm in Tulsa, Oklahoma, where he concentrated his practice on international business transactions.

JOHN K. ALLCORN joined Willbros in 2000 as Senior Vice President of Willbros International, Inc. He was previously Executive Vice President of a major U.S. pipeline construction firm and has over 15 years of pipeline industry experience including an established record in operations management, finance and business development.

WARREN L. WILLIAMS joined Willbros in 2000 as Vice President, Finance and Accounting, of Willbros USA, Inc. Mr. Williams has over 22 years of experience in corporate finance and public accounting.

WILLIAM R. PHILLIPS joined Willbros in 2000 when Rogers & Phillips, Inc. ("RPI") was acquired. He was elected Vice President of RPI in 1992, and President and Chief Executive Officer of RPI in 1997. Mr. Phillips has more than 27 years of experience in pipeline construction.

ARTHUR J. WEST joined Willbros in 1962 in North Africa. In 1988, he became Vice President of Willbros Middle East, Inc. ("WMEI") and, in 1992, he was elected Vice President of Willbros International, Inc. and became responsible for business development and operations for WMEI in the Middle East. Mr. West has over 35 years of experience in pipeline construction in the areas of administrative and project management.

LATIF A. RAZEK joined Willbros in 1973 and was promoted to General Manager of The Oman Construction Company, L.L.C. in 1999. He has over 28 years of experience in the pipeline construction industry.

J.B. BROWN joined Willbros in 1984 as a field engineer. He has over 16 years of experience as an Engineer and Project Manager working in Colombia, Oman and Nigeria. In 2000, he was named General Manager of Constructora CAMSA, C.A. in Venezuela.

J. K. TILLERY joined Willbros in 1983 as a field engineer. He has over 20 years of experience as an Engineer and Project Manager working in both U.S. and international pipeline construction. In 1995, he was named Managing Director of Willbros (Nigeria) Limited.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from (a) the section on page 43 of the Company's 2000 Annual Report to Stockholders entitled "Common Stock Information and Dividend Policy" and (b) the section on pages 22 and 23 of the Company's 2000 Annual Report to Stockholders entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Structure, Liquidity and Capital Resources".

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is incorporated by reference from page 16 of the Company's 2000 Annual Report to Stockholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is incorporated by reference from pages 17 through 23 of the Company's 2000 Annual Report to Stockholders.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this Item is incorporated by reference from page 23 of the Company's 2000 Annual Report to Stockholders entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Risk Management".

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is incorporated by reference from pages 24 through 42 of the Company's 2000 Annual Report to Stockholders.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item with respect to the Company's directors is incorporated by reference from the sections of the Company's definitive Proxy Statement for its 2001 Annual Meeting of Stockholders (the "Proxy Statement") entitled "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance". The information required by this Item with respect to the Company's executive officers appears in Item 4A of Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from the section of the Proxy Statement entitled "Executive Compensation".

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated by reference from the section of the Proxy Statement entitled "Principal Stockholders and Security Ownership of Management".

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated by reference from the section of the Proxy Statement entitled "Certain Transactions".

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements:

The financial statements of the Company and its subsidiaries and report of independent auditors listed below are incorporated by reference from the following pages of the Company's 2000 Annual Report to Stockholders:

(2) Financial Statement Schedule:

All other schedules are omitted as inapplicable or because the required information is contained in the financial statements or included in the footnotes thereto.

(3) Exhibits:

The following documents are included as exhibits to this Form 10-K. Those exhibits below incorporated by reference herein are indicated as such by the information supplied in the parenthetical thereafter. If no parenthetical appears after an exhibit, such exhibit is filed herewith.

3.1 Amended and Restated Articles of Incorporation of the Company (Filed as Exhibit 3.2 to the Company's report on Form 10-Q for the quarter ended September 30, 1998, filed November 16, 1998).

3.2 Restated By-laws of the Company (Filed as Exhibit 3.2 to the Company's Registration Statement on Form S-1, Registration No. 333-5413 (the "S-1 Registration Statement")).

4.1 Form of stock certificate for the Company's Common Stock, par value $.05 per share (Filed as Exhibit 4 to the S-1 Registration Statement).

4.2 Rights Agreement, dated April 1, 1999, between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (Filed as an Exhibit to the Company's Registration Statement on Form 8-A, dated April 9, 1999).

4.3 Certificate of Designation of Series A Junior Participating Preferred Stock of the Company (Filed as Exhibit 3 to the Company's report on Form 10-Q for the quarter ended March 31, 1999, filed May 17, 1999).

10.1 Credit Agreement dated February 20, 1997, by and among the Company, certain designated subsidiaries, Credit Lyonnais New York Branch, as co-agent, certain financial institutions, and ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.1 to the Company's report on Form 10-K for the year ended December 31, 1996, filed March 31, 1997 (the "1996 Form 10-K")).

10.2 Parent Pledge Agreement dated February 20, 1997, by the Company, in favor of ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.2 to the 1996 Form 10-K).

10.3 Pledge Agreement dated February 20, 1997, by Musketeer Oil B.V., in favor of ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.3 to the 1996 Form

10-K).

10.4 Pledge Agreement dated February 20, 1997, by Willbros USA, Inc., in favor of ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.4 to the 1996 Form 10-K).

10.5* Form of Indemnification Agreement between the Company and its officers (Filed as Exhibit 10.7 to the S-1 Registration Statement).

10.6* Form of Indemnification Agreement between the Company and its directors (Filed as Exhibit 10.16 to the S-1 Registration Statement).

10.7* Willbros Group, Inc. 1996 Stock Plan (Filed as Exhibit 10.8 to the S-1 Registration Statement).

10.8* Amendment Number 1 to Willbros Group, Inc. 1996 Stock Plan dated February 24, 1999 (Filed as Exhibit A to the Company's Proxy Statement for Annual Meeting of Stockholders dated March 31, 1999).

10.9* Form of Incentive Stock Option Agreement under the Willbros Group, Inc. 1996 Stock Plan (Filed as Exhibit 10.13 to the 1996 Form 10-K).

10.10* Form of Non-Qualified Stock Option Agreement under the Willbros Group, Inc. 1996 Stock Plan (Filed as Exhibit 10.14 to the 1996 Form 10-K).

10.11* Willbros Group, Inc. Director Stock Plan (Filed as Exhibit 10.9 to the S-1 Registration Statement).

10.12* Willbros USA, Inc. Executive Benefit Restoration Plan (Filed as Exhibit 10.10 to the S-1 Registration Statement).

10.13 Registration Rights Agreement dated April 9, 1992, between the Company and Heerema Holding Construction, Inc., Yorktown Energy Partners, L.P., Concord Partners II, L.P., Concord Partners Japan Limited and certain other stockholders of the Company (Filed as Exhibit 10.13 to the S-1 Registration Statement).

10.14* Willbros Group, Inc. Severance Plan dated January 1, 1999 (Filed as Exhibit 10.22 to the Company's report on Form 10-K for the year ended December 31, 1998, filed March 31, 1999 (the "1998 Form 10-K")).

10.15 First Amendment to Credit Agreement dated April 2, 1998, by and among the Company, certain designated subsidiaries, Credit Lyonnais New York Branch, as co-agent, certain financial institutions, and ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.25 to the 1998 Form 10-K).

10.16 Second Amendment to Credit Agreement dated October 1, 1998, by and among the Company, certain designated subsidiaries, Credit Lyonnais New York Branch, as co-agent, certain financial institutions, and ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.26 to the 1998 Form 10-K).

10.17 Third Amendment to Credit Agreement effective June 30, 2000, by and among the Company, certain designated subsidiaries, Credit Lyonnais New York Branch, as co-agent, certain financial institutions, and ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.1 to the Company's report on Form 10-Q for the quarter ended June 30, 2000, filed August 14, 2000).

10.18 Security Agreement effective July 27, 2000, by and among the Company, certain designated subsidiaries, and ABN AMRO Bank N.V., as agent (Filed

as Exhibit 10.2 to the Company's report on Form 10-Q for the quarter ended June 30, 2000, filed August 14, 2000).

10.19 Fourth Amendment to Credit Agreement effective June 30, 2000, by and among the Company, certain designated subsidiaries, Credit Lyonnais New York Branch, as co-agent, certain financial institutions, and ABN AMRO Bank N.V., as agent (Filed as Exhibit 10.3 to the Company's report on Form 10-Q for the quarter ended June 30, 2000, filed August 14, 2000).

13. Portions of the Company's 2000 Annual Report to Stockholders.

21. Subsidiaries of the Company.

23. Consent of KPMG LLP, included on page 31 of this Form 10-K.

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* Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the fourth quarter of 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WILLBROS GROUP, INC.

Date: March 29, 2001

By: /s/ Larry J. Bump
Larry J. Bump
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DAT
/s/ Larry J. Bump Larry J. Bump	Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	Marc
/s/ Michael F. Curran Michael F. Curran	Director, Vice Chairman of the Board, President and Chief Operating Officer	Marc

/s/ Melvin F. Spreitzer Melvin F. Spreitzer	Director, Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	Marc
/s/ Guy E. Waldvogel Guy E. Waldvogel	Director	Marc
/s/ Peter A. Leidel Peter A. Leidel	Director	Marc
/s/ John H. Williams John H. Williams	Director	Marc
/s/ Michael J. Pink Michael J. Pink	Director	Marc
/s/ James B. Taylor, Jr. James B. Taylor, Jr.	Director	Marc

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT SCHEDULE AND CONSENT

The Stockholders and Board of Directors
Willbros Group, Inc.:

The audits referred to in our report dated February 9, 2001 included the related consolidated financial statement schedule for each of the years in the three-year period ended December 31, 2000. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statement schedule based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the registration statements (Nos. 333-18421, 333-21399 and 333-53748) on Form S-8 and (No. 333-96201) on Form S-3 of Willbros Group, Inc. of our reports dated February 9, 2001, relating to the consolidated balance sheets of Willbros Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statement of operations, stockholders' equity and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2000 and the related financial statement schedule, which reports appear in the December 31, 2000 annual report on Form 10-K of Willbros Group, Inc.

KPMG LLP

Houston, Texas
March 29, 2001

WILLBROS GROUP, INC.
SCHEDULE II - CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Year Ended	Description	Balance at Beginning of Year	Charged (Credited) to Costs and Expenses	Charge Offs and Other	Balanc at End of Yea
December 31, 1998	Allowance for bad debts	$1,001	$ 72	$ (85)	$ 98
December 31, 1999	Allowance for bad debts	$ 988	$ 573	$(294)	$1,26
December 31, 2000	Allowance for bad debts	$1,267	$(154)	$(605)	$ 50

INDEX TO EXHIBITS

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