WILLBROS GROUP INC
Form 424B5
November 15, 2007

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

CALCULATION OF REGISTRATION FEE

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

(1) Includes shares of common stock issuable upon exercise of the underwriter s over-allotment option to purchase additional common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act of 1933, as amended, based on the average of the high and low sales prices of the common stock on November 14, 2007.

(3) Each share of Common Stock registered hereunder includes an associated Preferred Share Purchase Right pursuant to the Rights Agreement, dated April 1, 1999, with Mellon Investor Services LLC, as Rights Agent.

PROSPECTUS SUPPLEMENT
(To Prospectus dated November 2, 2007)

6,875,000 Shares

WILLBROS GROUP, INC.

Common Stock

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

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

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

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

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

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

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

Joint Book-Running Managers

UBS Investment Bank **Credit Suisse**

Calyon Securities (USA) Inc.

Bear, Stearns & Co. Inc. **D. A. Davidson & Co.** **Natixis Bleichroeder Inc.**

November 14, 2007

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

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Prospectus supplement summary

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

OUR COMPANY

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

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

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

Ø continued strength in maintenance, repair and overhaul, and capital spending;

Ø a need to upgrade or convert existing refineries to facilitate a shift to heavier and more sour crude streams, particularly from the Canadian oil sands;

Ø an increasing emphasis on safety;

Ø a decline in the number of operating refineries over the past 15 years, combined with an aging refinery infrastructure, averaging over 30 years in service, is resulting in higher ongoing refinery utilization rates requiring increasing maintenance and expansion expenditures; and

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

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

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

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

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

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

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

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BACKLOG BY GEOGRAPHY AT SEPTEMBER 30, 2007 $1.1BN

BACKLOG(1) BY CONTRACT TYPE (in billions)

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

We provide services to our customers through three segments:

Ø ***Engineering.*** We specialize in providing engineering services, from feasibility studies to detailed design work, to assist clients in conceptualizing, evaluating, designing and managing the construction or expansion of pipelines, compressor stations, pump stations, fuel storage facilities, field gathering facilities and production facilities.

Ø ***Construction.*** Our construction expertise includes systems, personnel and equipment to construct and replace large-diameter cross-country pipelines; fabricate engineered structures, process modules and facilities; and construct oil and gas production facilities, pump stations, flow stations, gas compressor stations, gas processing facilities and other related facilities. We also provide certain specialty services to increase our equipment and personnel utilization.

Ø ***Engineering, procurement and construction.*** Our fully integrated EPC services offering includes the full range of engineering, procurement, construction and project management services to provide end-to-end total project solutions to our customers.

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

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

We execute our projects utilizing a large, well-maintained fleet of owned and leased construction, transportation and support equipment. We also regularly rent pipeline construction equipment from specialized rental operators to supplement our owned or leased equipment in periods of high activity. Our equipment fleet is divided into units of equipment, which we call spreads, which are typically capable of constructing 50 to 75 miles of large diameter pipeline in a three- to four-month period. A spread includes numerous individual units of a particular equipment category, including: pipe layers, excavators, automatic welding units, bulldozers, heavy trucks, crew trucks, as well as other critical equipment. In 2006 and the first nine months of 2007, expenditures for capital equipment were $12.3 million and $23.4 million, respectively. Given the expected expansion of our project activity in North America over the next three years, we anticipate significantly expanding our equipment fleet to take advantage of the attractive economic returns of utilizing owned-equipment on cost-reimbursable projects, where ownership costs are less than prevailing rental rates. We are able, under the terms of these contracts, to utilize prevailing rental rates as the basis for our costs and fixed fees on the project. Expansion of our capital equipment base will also increase our ability to secure and execute additional projects. We expect to acquire approximately $50 million of construction equipment in the next 12 months.

OUR HISTORY

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

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

PENDING INSERV ACQUISITION

InServ

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

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

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

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

Since its founding in 1994, InServ has experienced rapid and profitable growth. For the nine months ended September 30, 2007, InServ generated revenue and operating income of $253.8 million and $22.3 million, respectively. For the five years ended December 31, 2006, InServ s revenue and operating income grew at a compound annual rate of 25.3 percent and 45.5 percent, respectively. Since its inception, InServ has experienced strong growth and is in the midst of a market with strong fundamental drivers including aging infrastructure combined with capacity constraints, increased emphasis on preventive maintenance, substantial emphasis on safety, record oil prices and demand for hydrocarbon derivatives. These positive market drivers have contributed to a substantial increase in InServ s backlog to $210.5 million as of September 30, 2007, a 33.0 percent increase in backlog over December 31, 2006. An industry survey completed by *Hydrocarbon Processing* magazine anticipated over $17 billion will be spent in the United States on capital and maintenance projects in the refining and petrochemical sectors in 2007. Over $8 billion of this anticipated spending is expected to be in the

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

Rationale for the InServ acquisition

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

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

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

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

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

OUR COMPETITIVE STRENGTHS

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

- **Leading position in high growth hydrocarbon transportation market supported by a strong global brand and reputation of quality execution expertise**. We believe we are one of the largest engineering and construction service providers in the world focused primarily on pipelines and other infrastructure critical to the transportation of hydrocarbons. Our global execution platform, experience and substantial fleet of construction equipment provide us with an advantage over smaller competitors with more limited resources and larger service providers, many of whom have committed significant resources to upstream and downstream processing facilities. In addition, we are well positioned to capitalize on the increasing need to maintain or replace older pipelines and expand into related services which augment our core expertise.

- **Our ability to execute complex, fully integrated EPC projects**. We offer our customers fully integrated EPC capabilities addressing the complete project lifecycle from early stage development and feasibility studies through execution, including project management, construction, and ongoing maintenance services. We are one of the few specialized service providers capable of offering this comprehensive solution in the pipeline market. Our customers are increasingly recognizing the benefits of integrated EPC services resulting from our early involvement in a project. Early involvement in all aspects of a project allows us to better determine the most efficient design, permitting, procurement and construction sequence and strategy for a project. Increased control over the entire scope of a project also improves execution efficiencies, which allows us to generate higher margins for the engineering and construction portions of the project while capturing incremental revenue and margin opportunities through the material procurement phase.

- **Strong relationships with long standing customers.** We have well-established relationships with major natural gas and petroleum industry participants, many of whom are leaders in their respective markets, including Kinder Morgan Energy Partners, ExxonMobil, Royal Dutch Shell, Energy Transfer Partners, El Paso Energy, SynCrude and Occidental Petroleum. We were able to develop and maintain these relationships due to our success in understanding and meeting our customers objectives. We believe that industry growth will continue to drive larger and more complex projects in a market where strong customer relationships and proven execution capabilities will be critical in increasing our market share. Our established safety and performance track record, well-maintained fleet of equipment and deep staff of well-trained, experienced engineers, project managers, and field operators position us to continue to win new projects from our legacy and new customers.

- **Experienced workforce and management team.** Our management team and skilled workforce include professionals with significant industry experience and technical expertise. Our senior executive team averages over 25 years of relevant industry experience, and many of our managers have led projects both domestically and overseas. Our new management team has positioned us to capture substantial growth opportunities in a strong environment.

OUR BUSINESS STRATEGY

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

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

- **Focus resources in markets with the highest risk-adjusted return**. North America currently offers us the highest risk-adjusted returns and the majority of our resources are focused on this region. However, we continue to seek international opportunities which can provide superior risk-adjusted returns and believe our extensive international experience is a competitive advantage. We believe that markets in North Africa and the Middle East, where we also have substantial experience, may offer attractive opportunities for us in the future given mid- and long-term industry trends.

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

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

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

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

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

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OTHER RECENT EVENTS

New senior credit facility

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

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

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

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

Resolution of criminal and regulatory matters

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

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

- Ø A twelve-count criminal information will be filed against both WGI and WII. WGI and WII will each enter into a DPA with the DOJ. The twelve counts include substantive violations of the anti-bribery provisions and violations of the books-and-records provisions of the FCPA. All twelve counts relate to our operations in Nigeria, Ecuador and Bolivia during the period from 1996 to 2005.

- Ø Provided WGI and WII fully comply with the DPAs for a period of approximately three years, the DOJ will not continue the criminal prosecution against WGI and WII and, at the conclusion of that time, the DOJ will move to dismiss the criminal information.

- Ø The DPAs will require, for each of their three-year terms, among other things, full cooperation with the government; compliance with all federal criminal law, including but not limited to the FCPA; and a three year monitor for WGI and its subsidiary companies, primarily focused on international operations outside of North America, the costs of which are payable by WGI.

- Ø We will be subject to $22 million in fines related to FCPA violations. The fines are payable in four equal installments of $5.5 million, first on signing, and annually for approximately three years thereafter, with no interest payable on the unpaid amounts.

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

- Ø We will consent to the filing in federal district court of a complaint by the SEC (the Complaint), without admitting or denying the allegations in the Complaint, and to the imposition by the court of a final judgment of permanent injunction against us. The Complaint will allege civil violations of the antifraud provisions of the Securities Act and the Securities Exchange Act, the FCPA s anti-bribery provisions, and the reporting, books-and-records and internal control provisions of the Securities Exchange Act. The final judgment will not take effect until it is confirmed by the court, and will permanently enjoin us from future violations of those provisions.

- Ø The final judgment will order us to pay $10.3 million, consisting of $8.9 million for disgorgement of profits and approximately $1.4 million of pre-judgment interest. The disgorgement and pre-judgment interest is payable in four equal installments of $2.575 million, first on signing, and annually for approximately three years thereafter. Post-judgment interest will be payable on the outstanding balance.

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

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

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

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

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

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Possible restructuring with a new Delaware public parent

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

OUR EXECUTIVE OFFICES

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

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The offering

Common stock we are offering	6,875,000 shares
Common stock to be outstanding after this offering	36,006,831 shares
Use of proceeds	We estimate that the net proceeds to us from this offering after expenses will be approximately $220.5 million, or approximately $253.8 million if the underwriters exercise their over-allotment option in full, at a public offering price of $34.00 per share. We plan to use approximately $202.5 million of the net proceeds from this offering to fund the cash portion of the purchase price for our pending acquisition of InServ. We intend to use the remaining net proceeds from this offering to fund our capital expenditures and working capital requirements to support our growing backlog and to fund possible acquisitions of additional assets and businesses which would complement our capabilities. See Use of proc