

WILLBROS GROUP INC
Form DEF 14A
July 05, 2006

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ☒ Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary proxy statement.

☐ Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).

☒ Definitive proxy statement.

☐ Definitive additional materials.

☐ Soliciting material under Rule 14a-12.

WILLBROS GROUP, INC.

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

WILLBROS GROUP, INC.

Plaza 2000 Building

50th Street, 8th Floor

P. O. Box 0816-01098

Panama, Republic of Panama

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 2, 2006

To the Stockholders of

WILLBROS GROUP, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Willbros Group, Inc., a Republic of Panama corporation (the Company), will be held at the Panama Marriott Hotel, Calle 52 y Ricardo Arias Area Bancaria, Panama City, Panama, on August 2, 2006, at 9:00 a.m., local time, for the following purposes:

1. To elect three directors of the Company to Class I for three-year terms;
2. To consider and act upon a proposal to amend the Company's Restated Articles of Incorporation, as amended, to increase the number of authorized shares of Common Stock, \$.05 par value per share, from 35,000,000 to 70,000,000;
3. To consider and act upon a proposal to approve an amendment to the Willbros Group, Inc. 1996 Stock Plan as described in the accompanying Proxy Statement;
4. To consider and act upon a proposal to approve the Willbros Group, Inc. 2006 Director Restricted Stock Plan;
5. To consider and act upon a proposal to ratify the appointment of GLO CPAs, LLP as the independent registered public accounting firm of the Company for 2006; and
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on June 19, 2006, as the record date for the meeting, and only holders of the Company's Common Stock of record at such time will be entitled to vote at the meeting or any adjournment thereof.

By Order of the Board of Directors,

Dennis G. Berryhill

Secretary

Panama City, Panama

July 5, 2006

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, SIGN, DATE, AND RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED ENVELOPE. IF YOU DO ATTEND THE MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

WILLBROS GROUP, INC.

Plaza 2000 Building

50th Street, 8th Floor

P. O. Box 0816-01098

Panama, Republic of Panama

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 2, 2006

SOLICITATION AND REVOCATION OF PROXIES

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Willbros Group, Inc., a Republic of Panama corporation (the "Company"), of proxies to be voted at the Annual Meeting of Stockholders of the Company to be held on August 2, 2006, or at any adjournment thereof (the "Annual Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting. This Proxy Statement and accompanying proxy were first sent on or about July 5, 2006, to stockholders of record on June 19, 2006.

If the accompanying proxy is properly executed and returned, the shares represented by the proxy will be voted at the Annual Meeting. If a stockholder indicates in his or her proxy a choice with respect to any matter to be acted upon, that stockholder's shares will be voted in accordance with such choice. If no choice is indicated, such shares will be voted **FOR** (a) the election of all of the nominees for directors listed below; (b) the approval of the amendment to the Company's Restated Articles of Incorporation to increase the number of authorized shares of common stock to 70,000,000; (c) the approval of the amendment to the Willbros Group, Inc. 1996 Stock Plan; (d) the approval of the Willbros Group, Inc. 2006 Director Restricted Stock Plan; and (e) the ratification of the appointment of the independent registered public accounting firm. A stockholder giving a proxy may revoke it by giving written notice of revocation to the Secretary of the Company at any time before it is voted, by executing another valid proxy bearing a later date and delivering such proxy to the Secretary of the Company prior to or at the Annual Meeting, or by attending the Annual Meeting and voting in person.

The expenses of this proxy solicitation, including the cost of preparing and mailing this Proxy Statement and accompanying proxy, will be borne by the Company. Such expenses will also include the charges and expenses of banks, brokerage firms and other custodians, nominees or fiduciaries for forwarding solicitation material regarding the Annual Meeting to beneficial owners of the Company's Common Stock. Solicitation of proxies may be made by mail, telephone, personal interviews or by other means by the Board of Directors or employees of the Company who will not be additionally compensated therefor, but who may be reimbursed for their out-of-pocket expenses in connection therewith. In addition, the Company has retained Georgeson Shareholder Communications Inc. ("Georgeson") to aid in the solicitation of proxies. For those services, the Company will pay Georgeson a fee of \$9,500 plus out-of-pocket disbursements and expenses.

STOCKHOLDERS ENTITLED TO VOTE

Stockholders of record at the close of business on June 19, 2006, will be entitled to vote at the Annual Meeting. As of June 19, 2006, there were issued and outstanding 21,792,612 shares of Common Stock, par value \$.05 per share, of the Company (the "Common Stock"). Each share of Common Stock is entitled to one vote. There is no cumulative voting with respect to the election of directors. The presence in person or by proxy of the holders of a majority of the shares issued and outstanding at the Annual Meeting and entitled to vote will constitute a quorum for the transaction of business. Votes withheld from nominees for directors, abstentions, and broker non-votes will be counted for purposes of determining whether a quorum has been reached. Votes will be tabulated by an inspector of election appointed by the Board of Directors of the Company. With regard to the election of directors, votes may be cast in favor of or withheld from each nominee; votes that are withheld will have the effect of a negative vote. Abstentions, which may be specified on all proposals, except the election of directors, will have the effect of a negative vote. A broker non-vote will have no effect on the outcome of the

election of directors, the approval of the amendment to the Willbros Group, Inc. 1996 Stock Plan, the approval of the Willbros Group, Inc. 2006 Director Restricted Stock Plan, or the ratification of the appointment of the independent registered public accounting firm. With regard to the approval of the amendment of the Company's Restated Articles of Incorporation, a broker non-vote will have the effect of a negative vote.

PROPOSAL ONE

ELECTION OF DIRECTORS

The Restated Articles of Incorporation of the Company (the "Charter") provide that the Board of Directors of the Company (the "Board of Directors") shall consist of not less than three nor more than fifteen directors, as determined from time to time by resolution of the Board of Directors. The number of directors is currently fixed at nine. The Board of Directors is divided into three approximately equal classes. The terms of such classes are staggered so that only one class is elected at the annual meeting of stockholders each year for a three-year term. The term of the current Class I directors (Messrs. Harl, Leidel, and Taylor) will expire at the Annual Meeting. The terms of the current Class II directors (Messrs. Mitchell and Williams) and the current Class III directors (Messrs. Curran and Isaacs) will expire at the annual meetings of stockholders to be held in 2007 and 2008, respectively.

In accordance with the recommendation of the Nominating/Corporate Governance Committee, the Board of Directors has nominated Robert R. Harl, Peter A. Leidel and James B. Taylor, Jr. for election as Class I directors. Messrs. Harl, Leidel and Taylor, who currently serve as Class I directors and whose terms expire at the Annual Meeting, are each standing for re-election as a Class I director for a term expiring at the annual meeting of stockholders in 2009 and until his successor is duly elected and qualifies, or until the earlier of his death, retirement, or resignation. Mr. Harl was elected to the Board of Directors in January 2006, and at that time was recommended to the Nominating/Corporate Governance Committee by the Company's President and Chief Executive Officer. The persons named as proxies in the accompanying proxy, who have been designated by the Board of Directors, intend to vote, unless otherwise instructed in such proxy, for the election of Messrs. Harl, Leidel and Taylor. Should any nominee named herein become unable for any reason to stand for election as a director of the Company, it is intended that the persons named in such proxy will vote for the election of such other person or persons as the Nominating/Corporate Governance Committee may recommend and the Board of Directors may propose to replace such nominee. The Company knows of no reason why any of the nominees will be unavailable or unable to serve.

The affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote is required for the election of directors. The Board of Directors recommends a vote **FOR** each of the following nominees for directors.

Nominees for Directors

Class I

(Term Expires May 2009)

Robert R. Harl, age 55, was elected to the Board of Directors and as President and Chief Operating Officer of the Company in January 2006. Mr. Harl has over 30 years experience working with Kellogg Brown & Root ("KBR"), a global engineering, construction and services company, and its subsidiaries in a variety of officer capacities, serving as President of several of the KBR business units. Mr. Harl's experience includes executive management responsibilities for units serving both upstream and downstream oil and gas sectors as well as power, government and infrastructure sectors. He was President and Chief Executive Officer of KBR from March 2001 until July 2004 when he was appointed Chairman, a position he held until January 2005. KBR filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in December 2003 in order to discharge certain asbestos and silica personal injury claims. The order confirming KBR's plan of reorganization became final in December 2004, and the plan of reorganization became effective in January 2005. Mr. Harl was engaged as a consultant to the Company from August 2005 until he became an executive officer and director of the Company in January 2006.

Peter A. Leidel, age 50, was elected to the Board of Directors in 1992. Since September 1997, Mr. Leidel has been a founder and partner in Yorktown Partners, L.L.C., an investment management company. From 1983 to September 1997, he was employed by Dillon, Read & Co., Inc., an investment banking firm, serving most recently as a Senior Vice President.

James B. Taylor, Jr., age 68, was elected to the Board of Directors in February 1999. Mr. Taylor co-founded Solana Petroleum Corp., a Canadian-based public oil and gas exploration and production company in 1997, and served as Chairman of its Board of Directors until December 2000. From 1996 to 1998, he was a Director and consultant for Arakis Energy, a Canadian public company with operations in North America and the Middle East. Prior to that time, he served for 28 years for Occidental Petroleum Corporation in various worldwide exploration and operations management positions before retiring in 1996 as Executive Vice President.

Directors Continuing in Office

Class II

(Term Expires May 2007)

Rodney B. Mitchell, age 70, was elected to the Board of Directors in July 2001. Mr. Mitchell has over 31 years of experience in the investment management business. He is President and Chief Executive Officer of The Mitchell Group, Inc., an investment advisory firm he founded in 1989. Previously, Mr. Mitchell was President and Chief Executive Officer of Tallasi Management Company, another investment advisory organization he formed in 1970.

S. Miller Williams, age 54, was elected to the Board of Directors in May 2004. He was Executive Vice President of Strategic Development of Vartec Telecom, Inc., an international consumer telecommunications services company, from August 2002 until May 2004, and was appointed interim Chief Financial Officer of Vartec in November 2003. Since leaving Vartec, he has primarily been involved in personal investments. From 2000 to August 2003, Mr. Williams was Executive Chairman of the Board of PowerTel, Inc., a public company which provided telecommunications services in Australia. From 1991 to 2002, he served in various executive positions with Williams Communications Group, a subsidiary of The Williams Companies that provided global network and broadband media services, most recently as Senior Vice President Corporate Development and General Manager International. He was President and owner of MediaTech, Incorporated, a manufacturer and dealer of computer tape and supplies, from 1987 until the company was sold in 1992.

One Board position in Class II is currently vacant.

Class III

(Term Expires May 2008)

Michael F. Curran, age 65, joined Willbros in March 2000 as a Director, Vice Chairman of the Board of Directors, President and Chief Operating Officer. Mr. Curran was named Chief Executive Officer in May 2002 and was elected Chairman of the Board of Directors in March 2004. He served from 1972 to March 2000 as Chairman and Chief Executive Officer of Michael Curran & Associates, a mainline pipeline constructor in North America and West Africa, prior to joining Willbros. Mr. Curran has over 43 years of diversified experience in pipeline construction around the world, including 34 years as President and Chief Executive Officer of various domestic and international pipeline construction firms. Mr. Curran also served as President of the Pipe Line Contractors Association. In January 2006, Mr. Curran, in order to commence a plan to transition Robert R. Harl to succeed him as the Chief Executive Officer of the Company, transferred his responsibilities as President and Chief Operating Officer to Mr. Harl.

S. Fred Isaacs, age 68, was elected to the Board of Directors in March 2004. Mr. Isaacs has been President of A1 Services, Inc. (formerly SFI Consulting, Inc.), an electrical engineering services company, since March

1997. He was President of Computer Video Training, Inc., a consulting company, from August 1995 to March 1997. From September 1992 to August 1995, he served as President of SFI Consulting, Inc. and Chairman of the Board of Directors of TranAm Systems International, Inc., a gas compression equipment company. Prior to that time, he served in senior engineering and executive positions in the pipeline industry for over 35 years, most recently as Senior Vice President of Transportation of MAPCO, Inc. and President of Mid-America Pipeline Company and Seminole Pipeline Company from January 1983 until his retirement from MAPCO, Inc. in September 1992.

One Board position in Class III is currently vacant.

Compensation of Directors

Employee directors receive no additional compensation for service on the Board of Directors or any committee thereof. Non-employee directors currently receive an annual retainer of \$30,000 plus a fee of \$1,500 per meeting for attending meetings of the Board of Directors. Non-employee directors also receive fees for attending meetings of committees of the Board of Directors as follows: chairman and any co-chairman of the committee receive \$2,500 per meeting and the other members of the committee receive \$1,500 per meeting.

Prior to April 16, 2006, non-employee directors automatically received non-qualified stock options under the Willbros Group, Inc. Director Stock Plan, as amended (the "Director Stock Plan"). Under the terms of the Director Stock Plan, no options may be granted under this Plan after April 16, 2006. As a replacement to this Plan, the Board of Directors is asking stockholders to approve the Willbros Group, Inc. 2006 Director Restricted Stock Plan at the Annual Meeting. Under the Director Stock Plan, an initial option to purchase 5,000 shares of Common Stock was granted to each new non-employee director on the date such director was elected or appointed to the Board of Directors. Each non-employee director also received annually an option to purchase 5,000 shares of Common Stock on the second Monday in January of each year during the period of such director's incumbency. The option exercise price of each option granted under the Director Stock Plan was equal to the fair market value of the Common Stock on the date of grant. During fiscal 2005, Messrs. Isaacs, Leidel, Mitchell, Taylor, and Williams were each granted an option to purchase 5,000 shares of Common Stock at an exercise price of \$21.19 per share.

All directors are reimbursed by the Company for out-of-pocket expenses incurred by them in connection with their service on the Board of Directors and any committee thereof.

During 2005, the Company paid Mr. Harl \$102,776 for consulting services consisting of advice and assistance rendered in connection with its business activities. The Consulting Services Agreement between the Company and Mr. Harl terminated upon Mr. Harl's employment and election to the Board of Directors on January 20, 2006.

Corporate Governance and Board Matters

The Board of Directors and corporate management utilize their best individual efforts to adopt and implement best practices of corporate governance. Each believes strongly that effective corporate governance practices underpin its efforts to focus the entire organization on generating long-term stockholder value through conscientious actions and in an ethical manner. The directors have a wide range of business and industry experience, which provides insightful perspective on significant matters and an understanding of the challenges facing the Company. The Company's commitment to sound, independent oversight is demonstrated by the make-up of the Board of Directors, which has been comprised of a majority of independent directors since the Company's initial public offering in 1996.

The Board of Directors has Corporate Governance Guidelines, a Code of Business Conduct and Ethics for directors, officers and employees, and an additional separate Code of Ethics for the Chief Executive Officer and Senior Financial Officers ("Codes"). The Corporate Governance Guidelines and Codes are available on the

Company's website at <http://www.willbros.com> under the Governance caption on the Investors page, and a copy of the Corporate Governance Guidelines and Codes will be provided to any stockholder of the Company upon request to: Secretary, Willbros Group, Inc., c/o Willbros USA, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027.

The Company is committed and dedicated to employing sound, ethical business practices, complying with the law in all areas of the world in which it works, and demanding the highest standards of integrity from its employees. There is common agreement that effective corporate governance requires the checks and balances provided by a proactive Board of Directors and corporate management actively engaged with others in the organization.

Board Independence. The Board of Directors has affirmatively determined that each of Messrs. Isaacs, Leidel, Mitchell, Taylor, and Williams, current directors of the Company, are independent under the current director independence standards of the New York Stock Exchange. In so doing, the Board of Directors determined that each of those individuals met the bright line independence standards of the New York Stock Exchange and has no other material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). In making the determination of independence, the Board of Directors not only used the bright line independence standards of the New York Stock Exchange, but also the standard that no relationships exist that are required to be reported under the caption Certain Relationships and Related Transactions in this Proxy Statement pursuant to the rules and regulations of the Securities and Exchange Commission. These standards are set forth on Exhibit A to this Proxy Statement. Mr. Curran is not considered to be independent because of his employment as a senior executive officer of the Company. Mr. Harl is not considered to be independent because of his employment as a senior executive officer of the Company and his receipt of consulting fees from the Company from August 1, 2005 until January 20, 2006.

Meetings and Committees of the Board of Directors. During 2005, the Board of Directors held 20 meetings. Each director was present at 75 percent or more of the aggregate of the meetings of the Board of Directors and of the committees of the Board of Directors on which he served during 2005. In addition, the Board of Directors took action four times during 2005 by unanimous written consent.

Each director is encouraged to participate in annual meetings of stockholders of the Company. However, since such meetings are held in Panama City, Panama, and are generally of a short duration and the Board of Directors does not generally have a meeting coincident with the annual meeting of stockholders, it is often impractical and expensive for each director to attend in person. Therefore, participation by either telephone or in person is encouraged. In addition, as discussed below, the Board of Directors has a process in place by which stockholders and other interested parties may communicate with the Board of Directors or any of its directors. Two directors, Messrs. Curran and Mitchell, attended in person the Company's 2005 Annual Meeting of Stockholders. Messrs. Bump, Harl, Isaacs, Taylor and Williams, members of the Board, participated in the 2005 Annual Meeting of Stockholders by telephone. Peter A. Leidel, a director, was unable to participate in the 2005 Annual Meeting due to business travel.

The Board of Directors has a standing Executive Committee, Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee. Each of the current members of each of the committees, other than the Executive Committee, qualifies as an independent director under the current listing standards of the New York Stock Exchange.

Executive Committee. During 2005, the Executive Committee was composed of Messrs. Curran (Chairman), Bump, and Mitchell. On February 1, 2006, Mr. Bump retired from the Board, and thus retired from the Executive Committee of the Board. Effective March 2, 2006, Mr. Harl was appointed to replace Mr. Bump on the Executive Committee; therefore, the Executive Committee is currently composed of Messrs. Curran (Chairman), Harl, and Mitchell. The Executive Committee is authorized to act for the Board of Directors in the management of the business and affairs of the Company, except with respect to a limited number of matters which include changing

the size of the Board of Directors, filling vacancies on the Board of Directors, amending the By-laws of the Company, disposing of all or substantially all of the assets of the Company, and recommending to the stockholders of the Company an amendment to the Articles of Incorporation of the Company or a merger or consolidation involving the Company. The Executive Committee did not meet during 2005.

Audit Committee. During 2005, the Audit Committee was composed of Messrs. Leidel (Chairman), Mitchell, Taylor, and Williams. From January 2005 until March 2006, Mr. Williams served as Co-Chairman. The Board of Directors has determined that it has two audit committee financial experts serving on the Audit Committee and these persons are Messrs. Leidel and Williams. The Audit Committee has a written charter, which is available on the Company's website at <http://www.willbros.com>. The Company has in place and circulated a whistleblower policy entitled Procedure of the Audit Committee on Reporting and Investigating Complaints with Regard to Possible Accounting Irregularities. The Audit Committee appoints the independent registered public accounting firm who will serve each year as independent auditors of the Company's financial statements and perform services related to the completion of such audit. The Audit Committee also has the responsibility to (a) review the scope and results of the audit with the independent auditors, (b) review with management and the independent auditors the Company's interim and year-end financial condition and results of operations, (c) consider the adequacy of the internal accounting, bookkeeping, and other control procedures of the Company, and (d) review and pre-approve any non-audit services and special engagements to be performed by the independent auditors and consider the effect of such performance on the auditors' independence. The Audit Committee also generally reviews the terms of material transactions and arrangements, if any, between the Company and its directors, officers and affiliates. The Audit Committee held 15 meetings during 2005.

Compensation Committee. During 2005, the Compensation Committee was composed of Messrs. Taylor (Chairman), Isaacs, and Mitchell. The Compensation Committee has a written charter, which is available on the Company's website at <http://www.willbros.com>. The Compensation Committee reviews and takes final action for and on behalf of the Board of Directors with respect to compensation, bonus, incentive, and benefit provisions for the officers of the Company and its subsidiaries, and administers the 1996 Stock Plan. The Compensation Committee meets at such times as may be deemed necessary by the Board of Directors or the Compensation Committee. The Compensation Committee held three meetings during 2005. In addition, the Compensation Committee took action one time during 2005 by unanimous written consent.

Nominating/Corporate Governance Committee. During 2005, the Nominating/Corporate Governance Committee was composed of Messrs. Leidel (Chairman), Isaacs, and Williams. The Nominating/Corporate Governance Committee has a written charter, which is available on the Company's website at <http://www.willbros.com>. The Nominating/Corporate Governance Committee also has put in place, with the approval of the Board of Directors, Corporate Governance Guidelines. The Nominating/Corporate Governance Committee is responsible for recommending candidates to fill vacancies on the Board of Directors as such vacancies occur, as well as the slate of nominees for election as directors by stockholders at each annual meeting of stockholders. The Nominating/Corporate Governance Committee has the authority under its charter to retain a professional search firm to identify candidates. It is also responsible for developing and recommending to the Board of Directors the Corporate Governance Guidelines applicable to the Company. Additionally, the Nominating/Corporate Governance Committee makes recommendations to the Board of Directors regarding changes in the size of the Board of Directors and recommends nominees for each committee. The Nominating/Corporate Governance Committee held one meeting during 2005.

Printed copies of the Audit, Compensation, and Nominating/Corporate Governance Committee charters are also available upon request to: Secretary, Willbros Group, Inc., c/o Willbros USA, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027.

Consideration of Director Nominees. The Nominating/Corporate Governance Committee will consider director candidates submitted to it by other directors, employees and stockholders. In evaluating such nominations, the Nominating/Corporate Governance Committee seeks to achieve a balance of knowledge,

experience and capability on the Board of Directors, and to address the director qualifications discussed below. Any stockholder nominations proposed for consideration by the Nominating/Corporate Governance Committee should include the nominee's name and qualifications for director and should be addressed to: Secretary, Willbros Group, Inc., c/o Willbros USA, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027. In addition, as described below, the Company's Charter permits stockholders to nominate directors for consideration at a meeting of stockholders.

The Nominating/Corporate Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Committee considers various potential candidates for director. Candidates may come to the attention of the Committee through current directors, professional search firms, stockholders, or other persons.

Once a prospective nominee has been identified, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. The initial determination focuses on the information provided to the Committee with the recommendation of the prospective candidate and the Committee's own knowledge of the candidate, which may be supplemented by inquiries to the person making the recommendation or others. If the Committee determines, after consultation with the Chairman of the Board of Directors and other directors as appropriate, that additional consideration is warranted, it may request a professional search firm to gather additional information about the candidate. The Committee then evaluates the candidate against the qualifications considered by the Committee for director candidates, which include an attained position of leadership in the candidate's field of endeavor, business and financial experience, demonstrated exercise of sound business judgment, expertise relevant to the Company's lines of business, and the ability to serve the interests of all stockholders. The Committee also assesses the candidate's qualifications as an independent director under the current director independence standards of the New York Stock Exchange. The candidate must be able to devote the time, energy and attention as may be necessary to properly discharge his or her responsibilities as a director. As part of this evaluation, one or more members of the Committee, and others as appropriate, will interview the candidate. After completing this evaluation, the Committee makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation of the Committee.

The Company's Charter provides that nominations of candidates for election as directors of the Company may be made at a meeting of stockholders by or at the direction of the Board of Directors, or by any stockholder entitled to vote at such meeting who complies with the advance notice procedures set forth therein. These procedures require any stockholder who intends to make a nomination for director at the meeting to deliver notice of such nomination to the Secretary of the Company not less than 45 nor more than 90 days before the meeting. The notice must contain all information about the proposed nominee as would be required to be included in a proxy statement soliciting proxies for the election of such nominee, including such nominee's written consent to serve as a director if so elected. If the Chairman of the meeting determines that a person is not nominated in accordance with the nomination procedure, such nomination will be disregarded. The Company expects that the annual meeting of stockholders to be held each year will be held during the mid to latter part of May.

Executive Sessions. Executive sessions of the non-management directors are held periodically. The sessions are scheduled on a regular basis and chaired by the chairman of the Nominating/Corporate Governance Committee. Any non-management director can request that an additional executive session be scheduled. Executive sessions of the independent directors only are held at least once a year.

Communications with the Board of Directors. The Board of Directors provides a process by which stockholders and other interested parties may communicate with the Board or any of the directors. Stockholders and other interested parties may send written communications to the Board of Directors or any of the directors at the following address: Secretary, Willbros Group, Inc., c/o Willbros USA, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027. All communications will be compiled by the Company's Secretary and submitted to the Board or the individual director.

PROPOSAL TWO

APPROVAL OF AMENDMENT TO

RESTATED ARTICLES OF INCORPORATION TO INCREASE

THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

The authorized capital of the Company is One Million Seven Hundred Sixty Thousand U.S. Dollars (U.S. \$1,760,000), and presently consists of 35,000,000 shares of common stock, par value Five U.S. Cents (U.S. \$.05) per share (Common Stock), and 1,000,000 shares of class A preferred stock, par value One U.S. Cent (U.S. \$.01) per share (Class A Preferred Stock). The number of shares of Common Stock outstanding as of June 1, 2006, was 21,793,642. Allowing for the number of shares of Common Stock outstanding or reserved for future issuance under the Company's employee benefit plans (2,047,872 shares) and outstanding convertible notes (8,552,843 shares), only 2,605,643 authorized shares of Common Stock remain freely available for issuance, including 123,828 shares held in treasury at June 1, 2006.

The Board of Directors has determined that the number of unreserved shares of Common Stock presently available for issuance is not sufficient to provide for future contingencies and needs of the Company, such as possible future financings, stock splits, business acquisitions, business combinations, stock distributions, equity incentives for employees, officers or directors, or other corporate purposes. The Company explores potential acquisitions on a regular basis and may issue shares of Common Stock in connection therewith. While the currently authorized shares of Common Stock are sufficient to provide for the Company's immediate needs, an increase in such authorized shares available for issuance would give the Company greater flexibility to respond to future developments and allow Common Stock to be issued without the expense and delay of a special meeting of stockholders. As of the date on which this Proxy Statement is being mailed, there are no definite proposals in place with respect to any material transaction involving the issuance of Common Stock. If there are any potential business combination transactions which require stockholder approval, such approval will be sought at the appropriate time.

The Board of Directors has unanimously adopted a resolution setting forth a proposed amendment (Proposed Amendment) to the first paragraph of Article THIRD of the Company's Restated Articles of Incorporation, as amended, that would increase the number of authorized shares of Common Stock from 35,000,000 to 70,000,000. The Proposed Amendment, a copy of which is attached to this Proxy Statement as Exhibit B, will have no effect on the numbers of shares of Class A Preferred Stock the Company is authorized to issue. The resolutions adopted by the Board of Directors, which will be presented for approval by the stockholders at the Annual Meeting, are set forth below:

RESOLVED, that, subject to the approval of the stockholders of the Company, the Restated Articles of Incorporation of the Company, as amended, be, and the same hereby is, amended by changing only the first paragraph of Article THIRD so that, as amended, said paragraph of Article THIRD shall be read in its entirety as follows:

THIRD: *Capital.* The authorized capital of the Corporation shall consist of THREE MILLION FIVE HUNDRED TEN THOUSAND U.S. DOLLARS (U.S.\$3,510,000), consisting of: SEVENTY MILLION (70,000,000) shares of common stock, par value FIVE U.S. CENTS (U.S. \$.05) per share (Common Stock); and ONE MILLION (1,000,000) shares of class A preferred stock, par value ONE U.S. CENT (U.S. \$.01) per share (Class A Preferred Stock). Shares shall all be in nominative form and may not be issued to bearer.

AND FURTHER RESOLVED, that a Certificate of Amendment to the Restated Articles of Incorporation of the Company be, and the same hereby is, authorized and approved, to record the amendment of Article THIRD of the Company's Restated Articles of Incorporation as authorized and approved in the preceding resolution.

The Board of Directors believes that the Proposed Amendment will provide several long-term advantages to the Company and its stockholders. The passage of the Proposed Amendment would enable the Company to declare a stock split and to pursue acquisitions or enter into transactions which the Board of Directors believes provide the potential for growth and profit. If additional authorized shares are available, transactions dependent upon the issuance of additional shares will be less likely to be undermined by delays and uncertainties occasioned by the need to obtain stockholder authorization to provide the shares necessary to consummate such transactions. The ability to issue shares, as the Board of Directors determines from time to time to be in the Company's best interests, will also permit the Company to avoid the extra expenses which would be incurred in holding special meetings of stockholders solely to approve an increase in the number of shares which the Company has the authority to issue.

The additional authorized shares of Common Stock could also be used for such purposes as raising additional capital for the operations of the Company. As of the date on which this Proxy Statement is being mailed, there are no definite plans or arrangements relating to the issuance of any of the additional shares of Common Stock proposed to be authorized. Such shares would be available for issuance without further action by the stockholders, unless required by the Company's Restated Articles of Incorporation or By-laws, by the rules of any stock exchange on which the Common Stock may be listed, or by applicable law. Without an increase in authorized shares of Common Stock, the Company may have to rely on debt, seek alternative financing means, or forego the investment opportunity altogether.

In addition, the availability of authorized but unissued shares of Common Stock could, under certain circumstances, have an anti-takeover effect. Although the Board of Directors has no present intention of doing so, the issuance of new shares of Common Stock could be used to dilute certain rights of a person seeking to obtain control of the Company should the Board of Directors consider the action of such person not to be in the best interest of the stockholders of the Company. The Company is not aware of any pending or proposed effort to obtain control of the Company or to change the Company's management.

In the event additional shares of Common Stock are issued by the Company, existing holders of shares of Common Stock would have no preemptive rights under the Company's Restated Articles of Incorporation, or otherwise to purchase any of such shares. It is possible that shares of Common Stock may be issued at a time and under circumstances that may dilute the voting power of existing stockholders, increase or decrease earnings per share, and increase or decrease the book value per share of shares presently held.

Vote Required and Effective Date

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock is required for approval of the Proposed Amendment. If approved by the stockholders, the Proposed Amendment will become effective upon the filing of a Certificate of Amendment of the Restated Articles of Incorporation with the Public Registry Office of the Republic of Panama in order to further amend the Company's Restated Articles of Incorporation, which will occur as soon as reasonably practicable. No changes will be made in the respective rights and privileges pertaining to the outstanding shares of Common Stock.

The Board of Directors recommends a vote **FOR** approval of the Proposed Amendment.

PROPOSAL THREE

APPROVAL OF AMENDMENT NUMBER 5

TO THE WILLBROS GROUP, INC.

1996 STOCK PLAN

General and Proposed Amendment

Stockholder action at the Annual Meeting will be requested with respect to the approval of Amendment Number 5 (the Amendment) to the Willbros Group, Inc. 1996 Stock Plan, as amended (the 1996 Stock Plan). The purposes of the Amendment are to (a) increase a sublimit under the 1996 Stock Plan that limits the number of shares of Common Stock that can be issued pursuant to awards of restricted stock or restricted stock rights under the 1996 Stock Plan, (b) provide that the exercise price of non-qualified stock options granted under the 1996 Stock Plan cannot be less than 100 percent of the fair market value of the Common Stock on the date of grant, and (c) prohibit effecting a repricing of underwater outstanding stock options or stock appreciation rights by providing that the exercise price of any stock options or grant price of any stock appreciation rights granted in substitution for outstanding awards may not be less than the applicable exercise price or grant price of the award to be surrendered in exchange for the substitute award.

The following types of awards may be granted under the 1996 Stock Plan: stock options, stock appreciation rights and restricted stock or restricted stock rights. A total of 4,075,000 shares of Common Stock may be issued pursuant to awards granted under the 1996 Stock Plan. The 1996 Stock Plan currently provides that the number of shares of Common Stock issued as awards other than stock options and stock appreciation rights cannot exceed 25 percent of the total number of shares of Common Stock issuable under the 1996 Stock Plan (the Sublimit). Accordingly, the effect of the Sublimit is that the number of shares of Common Stock that can currently be issued pursuant to awards of restricted stock or restricted stock rights under the 1996 Stock Plan is 1,018,750 shares (which represents the product of 25 percent times 4,075,000). As of June 1, 2006, as a result of the Sublimit, less than 173,884 shares of Common Stock are available for future grants of restricted stock or restricted stock rights awards under the 1996 Stock Plan after taking into account shares reserved for future grants under Employment Agreements with Messrs. Curran and Harl. The purpose of the 1996 Stock Plan is to strengthen the ability of the Company to attract and retain well-qualified executive, managerial, and professional personnel, and to encourage stock ownership by such personnel in order to increase their proprietary interest in the Company's success. The Company relies heavily upon restricted stock and restricted stock rights awards under the 1996 Stock Plan to compensate its executive, managerial, and professional personnel, and to retain and motivate such personnel, and desires to continue that practice because it believes that such awards encourage and reward effective management that results in long-term corporate financial success, as measured by stock price appreciation. The Company, therefore, desires to increase the Sublimit to 50 percent, which would allow the Company to issue up to 2,037,500 shares of Common Stock pursuant to awards of restricted stock or restricted stock rights under the 1996 Stock Plan.

The 1996 Stock Plan currently provides that the exercise price of a non-qualified stock option shall be determined by the Compensation Committee of the Board of Directors in its sole discretion, except that it shall not be less than 85 percent of the fair market value of the Common Stock on the date of grant. Since the Compensation Committee of the Board of Directors does not have any intention to grant non-qualified stock options below the fair market value of the Common Stock on the date of grant and such grants at less than fair market value would constitute non-qualified deferred compensation subject to Section 409A of the U.S. Internal Revenue Code, the Company desires to amend the 1996 Stock Plan to provide that the exercise price of non-qualified stock options cannot be less than 100 percent of the fair market value of the Common Stock on the date of grant.

The 1996 Stock Plan currently provides that the Compensation Committee of the Board of Directors may, in its discretion, grant Awards in substitution for any other award under the 1996 Stock Plan or other plan of the Company. Such awards could include, for example, grants of stock options after a decline in the market price of the Company's Common Stock in substitution for previously granted options having a higher exercise price. Although the Compensation Committee has not previously issued substitute awards to effect a repricing, the Company desires to amend the 1996 Stock Plan to prevent the grant of substitute stock options or stock

appreciation rights having an applicable exercise price or grant price that is less than the exercise price or grant price of the respective stock options or stock appreciation rights to be replaced.

A copy of the Amendment is attached hereto as Exhibit C. A copy of the 1996 Stock Plan will be furnished by the Company to any stockholder upon written request to: Dennis G. Berryhill, Secretary, Willbros Group, Inc., c/o Willbros USA, Inc., 4400 Post Oak Parkway, Suite 1000, Houston, Texas 77027. The Amendment, which was approved by the Board of Directors on June 14, 2006, will not take effect unless approved by the affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote.

Summary of the 1996 Stock Plan

General. In 1996, the Board of Directors adopted, and the stockholders of the Company approved, the Willbros Group, Inc. 1996 Stock Plan. The 1996 Stock Plan provides for awards to key employees of the Company, including officers and directors who are also employees of the Company. The 1996 Stock Plan provides that during any calendar year, no participant may be granted awards with respect to more than 150,000 shares, subject to certain adjustments. The stock issuable under the 1996 Stock Plan may be authorized and unissued shares or treasury shares. If any shares subject to any award are forfeited or payment is made in a form other than shares or the award otherwise terminates without payment being made, the shares subject to such awards will again be available for issuance under the 1996 Stock Plan. In addition, the number of shares deemed to be issued under the 1996 Stock Plan upon exercise or settlement of an award will be reduced by the number of shares surrendered or withheld in payment of the exercise or purchase price of such award and withholding taxes relating to such award.

The 1996 Stock Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"). The members of the Committee are not eligible for awards under the 1996 Stock Plan. The Committee is authorized to determine plan participants, the types and amount of awards to be granted and the terms, conditions and provisions of awards, prescribe forms of award agreements, interpret the 1996 Stock Plan, establish, amend and rescind rules and regulations relating to the 1996 Stock Plan, and make all other determinations which may be necessary or advisable for the administration of the 1996 Stock Plan. Although a determination has not been made as to the number of employees currently eligible for consideration as participants in the 1996 Stock Plan, as of June 1, 2006, there were 49 employees who held awards under the 1996 Stock Plan.

If the Amendment is approved, under the terms of the 1996 Stock Plan, no more than 2,037,500 shares may be issued under the 1996 Stock Plan pursuant to awards of restricted stock and/or restricted stock rights.

Summary of Awards. The 1996 Stock Plan permits the granting of any or all of the following types of awards: (a) stock options, (b) stock appreciation rights ("SARs"), and (c) restricted stock or restricted stock rights. Generally, awards under the 1996 Stock Plan are granted for no consideration other than prior and future services. Awards granted under the 1996 Stock Plan may, in the discretion of the Committee, be granted alone or in addition to, in tandem with, or in substitution for any other award under the 1996 Stock Plan or other plan of the Company. Such grants could include, for example, grants of options after a decline in the market price of the Company's Common Stock in substitution for previously granted options having a higher exercise price. (If the Amendment is approved, stock options granted in substitution for previously granted options may not have an exercise price that is less than the previously granted options.) The Company, however, has never repriced options previously granted.

Stock options granted pursuant to the 1996 Stock Plan may, at the discretion of the Committee, be either incentive stock options ("ISOs"), within the meaning of Section 422 of the U.S. Internal Revenue Code, or non-qualified stock options. The exercise price of an ISO may not be less than the fair market value of the Common Stock on the date of grant (or 110 percent of such fair market value in the case of ISOs granted to employees who possess more than 10 percent of the combined voting power of all classes of stock of the Company (a "10% employee")). In the case of non-qualified stock options, the exercise price shall be as determined by the Committee in its sole discretion, except that it shall not be less than 85 percent (100 percent if

the Amendment is approved) of the fair market value of the Common Stock on the date of grant. Options granted pursuant to the 1996 Stock Plan are exercisable in whole or in part at such time or times as determined by the Committee, except that ISOs may not be exercised after the expiration of 10 years from the date granted (five years in the case of a 10 percent employee). Generally, options may be exercised by the payment of cash, promissory notes or stock or a combination thereof.

SARs granted under the 1996 Stock Plan will give the holder the right to receive cash or stock in an amount equal to the difference between the fair market value of a share of Common Stock on the date of exercise and the grant price. The grant price of a SAR is determined by the Committee but may not be less than the fair market value of a share of Common Stock on the date of grant. Methods of exercise and settlement and other terms of SARs are determined by the Committee. No SARs have been granted under the 1996 Stock Plan since its inception.

The Committee may award restricted stock, generally consisting of shares of Common Stock which may not be disposed of by participants until certain restrictions established by the Committee lapse. Such restrictions may lapse in whole or in installments as the Committee determines. A participant receiving restricted stock will have all of the rights of a stockholder of the Company, including the right to vote the shares and the right to receive any dividends, unless the Committee determines otherwise. Upon termination of employment during the restriction period, restricted stock will be forfeited, subject to such exceptions, if any, as are authorized by the Committee. The Committee, in its discretion, may also issue restricted stock rights, which represent the right to receive shares of Common Stock upon vesting. The rights are considered restricted because they are subject to forfeiture and restrictions on transfer prior to vesting and the related issuance of shares. A participant receiving restricted stock rights will not be a stockholder of the Company and will not be entitled to vote or receive dividends, if any, until the rights vest, at which time the related shares will be issued to the participant.

Awards generally are not transferable other than by will or the laws of descent and distribution; however, the Committee may permit the transfer of awards (other than ISOs and SARs in tandem therewith) for estate planning purposes. In the event of any change affecting the shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares, or other corporate change or any distributions to Common Stock holders, the Committee may make such substitution or adjustment in the aggregate number or kind of shares which may be distributed under the 1996 Stock Plan and in the number, kind and exercise, grant or purchase price of shares subject to the outstanding awards granted under the 1996 Stock Plan, or make provisions for a cash payment relating to any award, as it deems to be appropriate in order to maintain the purpose of the original grant.

Amendment to and Termination of the 1996 Stock Plan. The Board of Directors may amend, alter, suspend, discontinue or terminate the 1996 Stock Plan without the consent of stockholders or participants, except that stockholder approval of such action will be sought if such approval is required by any federal or state law or regulation, to the extent the action is required to be approved by stockholders in connection with having any outstanding awards comply with the requirements of Section 162(m) of the U.S. Internal Revenue Code, or if the Board of Directors in its discretion determines that obtaining such stockholder approval is advisable. Unless earlier terminated by the Board of Directors, the 1996 Stock Plan will terminate when no shares remain reserved and available for issuance, and the Company has no further obligation with respect to any award granted under the 1996 Stock Plan.

Change of Control. In the event of a Change of Control of the Company, all outstanding awards under the 1996 Stock Plan, regardless of any limitations or restrictions, become fully exercisable and freed of all restrictions. For purposes of the 1996 Stock Plan, a Change of Control is deemed to have occurred: (a) upon the acquisition by any person of 20 percent or more of the Company's outstanding voting stock; (b) if individuals constituting the Board of Directors, or those nominated by at least two-thirds of such individuals or successors nominated by them, cease to constitute a majority of the Board; (c) upon stockholder approval of a merger, consolidation or similar transaction or consummation of any such transaction if stockholder approval is not required; (d) upon approval of a plan of liquidation or the sale or disposition of substantially all of the Company's assets; or (e) if the Board adopts a resolution to the effect that a Change of Control has occurred.

U.S. Federal Income Tax Consequences. The Company believes that under present U.S. federal income tax laws the following are the U.S. federal income tax consequences generally arising with respect to awards granted under the 1996 Stock Plan. The grant of an option or SAR will create no tax consequences for the participant or the Company. The participant will have no taxable income upon exercising an ISO (except that the alternative minimum tax may apply) and the Company will receive no deduction at that time. Upon exercising an option other than an ISO, a participant will recognize ordinary income equal to the difference between the exercise price and the fair market value of the stock acquired on the date of exercise. Upon exercising a SAR, a participant will recognize ordinary income equal to the cash or the fair market value of the stock received on the date of exercise. In the case of the exercise of a non-qualified stock option or SAR, the employer of the participant, if it is a subsidiary of the Company and a U.S. taxpayer (U.S. subsidiary employer), generally will be entitled to a deduction for the amount recognized as ordinary income by the participant, unless such deduction is limited by Section 162(m) of the Internal Revenue Code. The treatment to a participant of a disposition of shares acquired upon the exercise of a SAR or option depends on how long the shares have been held and on whether such shares are acquired by exercising an ISO or by exercising an option other than an ISO. Generally, there will be no tax consequences to a U.S. subsidiary employer in connection with a disposition of shares acquired under an option except that the U.S. subsidiary employer may be entitled to a deduction (and the employee will recognize ordinary income) if shares acquired under an ISO are disposed of before the applicable ISO holding periods have been satisfied.

With respect to awards granted under the 1996 Stock Plan involving stock or stock rights that is restricted as to transferability and subject to a substantial risk of forfeiture, a participant will recognize ordinary income equal to the fair market value of the shares received at the earlier of the time at which the shares or stock rights become transferable or not subject to a substantial risk of forfeiture unless, in the case of a restricted stock award, but not in the case of restricted stock rights, the participant elects to be taxed at the time of the award notwithstanding the restrictions (to minimize the tax payable in respect of the appreciation in the value of the stock from the time it is awarded until the restrictions lapse). The U.S. subsidiary employer, if any, generally will be entitled to a deduction for the same amount unless such deduction is limited by Section 162(m) of the Internal Revenue Code.

The foregoing provides only a very general description of the application of U.S. federal income tax laws to awards under the 1996 Stock Plan. The summary does not address the effects of foreign, state and local tax laws.

Awards Granted. As of June 1, 2006, incentive and non-qualified stock options and restricted stock and restricted stock rights for a total of 1,105,150 shares are outstanding under the 1996 Stock Plan. As of June 1, 2006, there were 1,047,222 shares of Common Stock reserved and available for future grants of awards under the 1996 Stock Plan. All of the outstanding options expire at various times during the years 2006 to 2016. Since inception of the 1996 Stock Plan through June 1, 2006, options and restricted stock and restricted stock rights awards for the following number of shares have been granted under the 1996 Stock Plan to the named executive officers of the Company and specified groups: Michael F. Curran (Chairman of the Board and Chief Executive Officer), 400,000 shares; Robert R. Harl (President and Chief Operating Officer), 150,000 shares; John K. Allcorn (Executive Vice President), 205,625 shares; John T. Dalton (Senior Vice President and General Counsel), 132,000 shares; Warren L. Williams (Senior Vice President, Treasurer, and Chief Financial Officer), 155,625 shares; R. Clay Etheridge (President of Willbros International, Inc.), 40,000 shares; all current executive officers as a group, 1,083,250 shares; and all employees, excluding current executive officers, as a group, 2,587,162 shares. All current directors who are not employees of the Company are not eligible to receive awards under the 1996 Stock Plan. Future awards under the 1996 Stock Plan are not yet determinable. The closing price for the Common Stock on the New York Stock Exchange on June 1, 2006, was \$20.91 per share.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote is required for the adoption of this proposal. The Board of Directors recommends a vote FOR approval of this proposal.

PROPOSAL FOUR

APPROVAL OF THE WILLBROS GROUP, INC.

2006 DIRECTOR RESTRICTED STOCK PLAN

General

Stockholder action at the Annual Meeting will be requested with respect to the approval of the Willbros Group, Inc. 2006 Director Restricted Stock Plan (the "2006 Director Stock Plan" or the "Plan"). The 2006 Director Stock Plan generally provides for the automatic award of shares of restricted stock to non-employee directors (so-called "outside directors") of the Company once each year. A copy of the 2006 Director Stock Plan is attached hereto as Exhibit D.

The 2006 Director Stock Plan, which was approved by the Board of Directors on June 14, 2006, will not take effect unless approved by the affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. The purpose of the 2006 Director Stock Plan is to strengthen the ability of the Company to attract and retain highly qualified persons to serve as outside directors of the Company and to encourage stock ownership by such directors in order to increase their proprietary interest in the Company, thereby aligning such directors' interests more closely with the interests of the Company's stockholders. The 2006 Director Stock Plan is intended to replace the Willbros Group, Inc. Director Stock Plan, which was approved by the stockholders in 1996, for future equity awards to outside directors. Under the terms of the Willbros Group, Inc. Director Stock Plan, which provided for the automatic grant of non-qualified stock options to outside directors, no options may be granted under that plan after April 16, 2006.

Summary of the 2006 Director Stock Plan

General. Under the 2006 Director Stock Plan, shares of restricted stock are automatically awarded each year to the Company's outside directors until there are no further shares available under the Plan or the Board of Directors terminates the Plan. The stock issuable under the 2006 Director Stock Plan may be authorized and unissued shares, treasury shares or shares acquired in the market. If any shares subject to an award are forfeited, the forfeited shares will again be available for issuance under the 2006 Director Stock Plan. A total of 50,000 shares of Common Stock are available for awards under the 2006 Director Stock Plan.

The Company currently has five outside directors, two of whom are up for re-election at the Annual Meeting, all of whom will be eligible to receive shares of restricted stock annually under the 2006 Director Stock Plan.

Summary of Restricted Stock. Two types of restricted stock awards will be made under the 2006 Director Stock Plan. An initial award of shares of Common Stock will be made automatically to an outside director on the date the director is elected or appointed to the Board of Directors or otherwise becomes an outside director. An annual award of shares of Common Stock will be made automatically to each outside director on the second Monday in January of each year during the period of such director's incumbency. In each case the number of shares represented by the award will equal \$30,000 divided by the fair market value of a share of Common Stock on the day of the award (or the preceding business day if the day of the award is not a business day), rounded to the nearest number of whole shares.

The restricted stock awarded to an outside director is not transferable and is subject to risk of forfeiture until the vesting requirements for the stock are met. Shares of restricted stock awarded to an outside director will vest on the first anniversary of the date of the award. All unvested shares of restricted stock awarded to an outside director who is serving as a director of the Company at the time of his death, disability, termination of service as a director at the end of any full term to which he or she is elected, or at the time of a "change in control" of the Company, will become fully vested upon the occurrence of such event even if such event precedes the first anniversary of the award.

For purposes of the 2006 Director Stock Plan, a change in control of the Company is deemed to have occurred: (a) if a person becomes the beneficial owner of 30 percent or more of the Company's outstanding voting stock, (b) upon the acquisition by any person pursuant to a tender offer of 30 percent or more of the Company's outstanding voting stock; (c) if individuals constituting the Board of Directors, or those nominated by at least two-thirds of such individuals or successors nominated by them, cease to constitute a majority of the Board; (d) upon stockholder approval of a merger, consolidation or similar transaction or consummation of any such transaction if stockholder approval is not required; or (e) upon approval by stockholders of a plan of liquidation or the sale or disposition of substantially all of the Company's assets.

An outside director will have all of the rights of a stockholder with respect to the shares of restricted stock awarded to him or her, including the right to vote the shares and the right to receive any dividends paid on the shares. Stock certificates delivered to an outside director or, if the Board of Directors directs, held by the Company for an outside director, that represent shares of restricted stock will bear a legend noting that the shares are not transferable and are subject to the terms and limitations of the 2006 Director Stock Plan.

Anti-dilution Provisions. In the event of any change affecting the shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, combination or exchange of shares, or other corporate change or any distributions to Common Stock holders, the unvested shares of restricted stock awarded under the Plan will be subject to the same change. In addition, an adjustment will be made as necessary in the aggregate number and/or kind of shares reserved and available for issuance under the 2006 Director Stock Plan and in the number and/or kind of shares subject to automatic awards of restricted stock under the 2006 Director Stock Plan, in order to prevent dilution or enlargement of an outside director's rights under the Plan.

Award Agreements. The terms and provisions of each award under the 2006 Director Stock Plan will be evidenced by an award agreement. The award agreement will generally set forth the number of shares of Common Stock subject to the award and the vesting requirements and other restrictions applicable to the award.

Amendment to and Termination of the 2006 Director Stock Plan. The Board of Directors may amend, alter, suspend, discontinue or terminate the 2006 Director Stock Plan without the consent of stockholders or participants, except that stockholder approval of such action will be sought if such approval is required by any federal or state law or regulation, by the rules of the stock exchange on which the Common Stock is listed, or if the Board of Directors in its discretion determines that obtaining such stockholder approval is advisable. The 2006 Director Stock Plan will terminate when there are no longer shares of Common Stock available for awards under the Plan or the Board of Directors otherwise declares the Plan terminated.

U.S. Federal Income Tax Consequences. The Company believes that under present U.S. federal income tax laws the following are the U.S. federal income tax consequences generally arising with respect to awards of restricted stock under the 2006 Director Stock Plan. In general, an outside director who receives a restricted stock award will not realize taxable income at the time of award. Upon the vesting of the shares subject to a restricted stock award, the outside director will realize ordinary income in an amount equal to the then fair market value of the shares. Any gains or losses realized by the outside director upon disposition of such shares will be treated as capital gains or losses, and the outside director's basis in such shares will be equal to the fair market value of the shares at the time of vesting. An outside director may elect pursuant to Section 83(b) of the U.S. Internal Revenue Code to have income recognized at the date of the restricted stock award and to have the applicable capital gain holding period commence as of that date.

The foregoing provides only a very general description of the application of U.S. federal income tax laws to restricted stock awards under the 2006 Director Stock Plan. The summary does not address the effects of foreign, state and local tax laws.

New Plan Benefits/Awards to be Granted. If stockholders approve the 2006 Director Stock Plan, on January 8, 2007, each outside director on that date will automatically receive an award of shares of restricted stock. The number of shares is not presently determinable. If stockholders approve the 2006 Director Stock Plan,

during 2006, no annual awards will be made under the Plan and whether any initial awards will be made under the Plan is not presently determinable. Only outside directors may receive awards under the Plan. The closing price for the Common Stock on the New York Stock Exchange on June 1, 2006, was \$20.91 per share.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote is required for the adoption of this proposal. The Board of Directors recommends a vote **FOR** approval of this proposal.

PROPOSAL FIVE

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP (**KPMG**) had been the independent registered public accounting firm (the **independent auditor**) of Willbros since 1987. Historically, although not required, the Board of Directors has elected to present a proposal at the annual meeting of stockholders asking the stockholders to ratify the appointment of the independent auditors. However, in view of the resignation of KPMG discussed below, such a proposal was not presented at the 2005 Annual Meeting because the Audit Committee had not yet selected independent auditors for 2005.

The Audit Committee requested management of the Company to solicit bids for audit services for 2005 from several independent registered public accounting firms. After a diligent review, interview and evaluation process, on February 8, 2006, the Audit Committee of the Board of Directors of the Company appointed GLO CPAs, LLP (**GLO**) as the independent auditors of the Company for the fiscal year ended December 31, 2005.

The Audit Committee has also appointed GLO as the independent auditors of the Company for the fiscal year ending December 31, 2006. A proposal will be presented at the Annual Meeting asking the stockholders to ratify the appointment of GLO as the Company's independent auditors for 2006. If the stockholders do not ratify the appointment of GLO, the Audit Committee will reconsider the appointment.

The affirmative vote of the holders of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote is required for the adoption of this proposal. The Board of Directors recommends a vote **FOR** the ratification of GLO as the Company's independent auditors for 2006.

A representative of GLO will be present at the Annual Meeting. Such representative will be given the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Resignation of Former Independent Auditors

On November 10, 2005, the Company was notified by KPMG that, effective upon completion of the audit of the Company's consolidated financial statements as of and for the year ended December 31, 2004, and the issuance of its report thereon, and filing of the Company's Form 10-Qs for the three-month period ended March 31, 2005 and six-month period ended June 30, 2005, it was resigning as the Company's independent auditors. The Company filed its Form 10-K for the year ended December 31, 2004 and its Form 10-Qs for the three-month period ended March 31, 2005 and six-month period ended June 30, 2005 on November 22, 2005.

The reports of KPMG on the Company's consolidated financial statements for the past two fiscal years (2004 and 2003) contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, except as follows:

KPMG's report on the consolidated financial statements of the Company as of December 31, 2004 and 2003 and for the years ended December 31, 2004, 2003 and 2002, contained a separate paragraph stating that as discussed in Note 2 to the consolidated financial statements, the Company has restated its

consolidated balance sheet as of December 31, 2003, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2003 and 2002.

KPMG's report on the consolidated financial statements of the Company as of December 31, 2004 and 2003 and for the years ended December 31, 2004, 2003 and 2002, contained an additional paragraph stating that we also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Willbros Group, Inc.'s internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated November 21, 2005 expressed an unqualified opinion on management's assessment of, and an adverse opinion on the effective operation of, internal control over financial reporting.

The resignation of KPMG was accepted by the Audit Committee of the Board of Directors subsequent to the Company's filing its Form 10-K for the year ended December 31, 2004 and its Form 10-Qs for the three-month period ended March 31, 2005 and six-month period ended June 30, 2005 on November 22, 2005. Prior to KPMG's departure, the Audit Committee had discussed with representatives of KPMG certain material weaknesses in internal controls, as described below, noted by KPMG and had taken certain actions, as described below, to address such weaknesses.

During the years ended December 31, 2004 and 2003 and the subsequent interim period through November 22, 2005, there were no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the subject matter of the disagreements in connection with its report on the financial statements for such years.

In connection with its audit for the years ended December 31, 2004 and 2003 and through November 22, 2005, there were no reportable events as defined by Item 304(a)(1)(v) of Regulation S-K, except that KPMG had advised the Company that it noted certain material weaknesses in the Company's internal financial reporting and accounting controls, as described below.

1. Company-Level Controls The Company did not maintain effective company-level controls in the control environment, risk assessment, and monitoring components as defined by COSO, including related antifraud controls. Specifically, the following deficiencies were identified:

The Company's control environment did not sufficiently promote effective internal control over financial reporting throughout the Company's management structure, and this material weakness was a contributing factor in the development of other material weaknesses described below.

The Company did not provide sufficient training for personnel engaged in key elements of the financial reporting process, including training on relevant regulations such as the Foreign Corrupt Practices Act (FCPA).

The Company's policies and procedures did not effectively ensure that: (1) personnel, including internal audit, have the appropriate skills and experience commensurate with their job responsibilities; (2) the reporting structure of the organization was appropriate; and (3) key personnel in certain international subsidiaries adhere to a periodic rotation policy.

The Company failed to educate and train employees in identifying, monitoring, or reporting and responding to, incidents of alleged misconduct or unethical behavior, including the Company's whistleblower policy and the Company's code of conduct policies. These deficiencies in the Company's internal control over financial reporting resulted in material misstatements to various amounts in previously-issued annual and interim financial statements. Accordingly, the Company has restated its consolidated financial statements as of and for the years ended December 31, 2002 and 2003 and the first three quarters of 2004.

2. Construction Contract Management The Company's operating subsidiaries in Nigeria did not maintain effective policies and procedures regarding review and approval processes relating to: (i) original and revised project cost estimates; (ii) original contract pricing; (iii) establishment and management of contract contingencies; and (iv) change order management. These deficiencies in the Company's internal control over financial reporting resulted in material overstatement of contract revenue and understatement of contract costs in previously-issued annual and interim financial statements. Accordingly, the Company has restated its consolidated financial statements as of and for the years ended December 31, 2002 and 2003 and the first three quarters of 2004.

3. International Taxes The Company's policies and procedures did not provide for effective supervisory review of the Company's accounting for international taxes, value added taxes, and payroll taxes and the related recordkeeping activities. These deficiencies in the Company's internal control over financial reporting resulted in material understatement of contract cost and income tax expense in previously-issued annual and interim financial statements. Accordingly, the Company has restated its consolidated financial statements as of and for the years ended December 31, 2002 and 2003, and the first three quarters of 2004.

4. Disbursements Process The Company did not maintain effective policies and procedures regarding its disbursement process. Specifically, deficiencies in policies and procedures were identified in the following areas: (i) petty cash disbursements at the Company's Nigerian subsidiaries; (ii) the Company's vendor approval process and maintenance of an approved vendor listing; and (iii) disbursement approval levels for individuals, subsidiaries, and senior management. These deficiencies resulted in material undisclosed related party transactions and payment of fraudulent vendor invoices resulting in material overstatement of contract revenue and overstatement of contract cost in previously-issued annual and interim financial statements. Accordingly, the Company has restated its consolidated financial statements as of and for the years ended December 31, 2002 and 2003, and the first three quarters of 2004.

Company management with oversight from the Audit Committee has devoted substantial effort to the remediation of its material weaknesses described above, and to the improvement of the Company's internal control over financial reporting. Specifically, prior to January 1, 2005, the Company:

- increased staffing and training of the finance and accounting personnel at the business unit level; and

- adopted a more frequent rotation policy for the financial staff at its business units.

Subsequent to January 1, 2005, the Company has undertaken the following actions to remediate its material weaknesses and to improve the Company's internal control over financial reporting:

- initiation of an enhanced worldwide awareness program to educate employees with respect to the content of its whistleblower policy to better achieve reporting of any suspected problems;

- realignment of the reporting of all business units' financial staff directly to the Corporate Controller's Office;

- adoption of a more frequent rotation policy for the operations staff at its business units;

- adoption of a policy requiring approval of the General Counsel or the Chief Financial Officer for the engagement of legal, accounting and tax advisors;

- implementation of an