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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 4, 2005

The Williams Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-4174	73-0569878
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Williams Center, Tulsa, Oklahoma	74172
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 918/573-2000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240-14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 4, 2005, The Williams Companies, Inc. ("Williams" or the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2005. A copy of the press release and its accompanying reconciliation schedules are furnished as a part of this current report on Form 8-K as Exhibit 99.1 and is incorporated herein in its entirety by reference.

The press release and accompanying reconciliation schedules are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The information furnished is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 8.01. Other Events.

Williams wishes to disclose for Regulation FD purposes its slide presentation, furnished herewith as Exhibit 99.2, to be utilized during a public conference call and webcast on the morning of August 4, 2005.

On August 4, 2005, Williams also issued a press release announcing that it has increased the company's total proved, probable and possible domestic reserves to an estimated 8.5 trillion cubic feet equivalent ("Tcfe") – an increase of 21 percent from the previous estimate of 7 Tcfe. A copy of the press release is furnished as a part of this current report on Form 8-K as Exhibit 99.3.

The slide presentation and press release are being furnished pursuant to Item 8.01, Other Events. The information furnished is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(a) None

(b) None

(c) Exhibits

Exhibit 99.1	Copy of Williams' press release dated August 4, 2005, publicly announcing its second quarter 2005 financial results.
Exhibit 99.2	Copy of Williams' slide presentation to be utilized during the August 4, 2005, public conference call and webcast.
Exhibit 99.3	Copy of Williams' press release dated August 4, 2005, publicly announcing its increase in domestic reserves.

Pursuant to the requirements of the Securities Exchange Act of 1934, Williams has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE WILLIAMS COMPANIES, INC.

Date: August 4, 2005

/s/ Donald R. Chappel

Name: Donald R. Chappel

Title: Senior Vice President and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
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EXHIBIT 99.1

NewsRelease

NYSE: WMB

Date: Aug. 4, 2005

Williams Reports Second-Quarter 2005 Financial Results

- *E&P Segment Profit Increases More Than 100% for Quarter and 6-Months*
- *Natural Gas Production Climbs 20% During First Half of Year*
- *NGL Sales Volumes Increase 12% for 6-Month Period*
- *Quarter Produces $488.9 Million in Net Cash From Operations*
- *Business Growth Opportunities Continue to Increase*

Summary Financial Information

	2Q 2005 millions	2Q 2005 per share	2Q 2004 millions	2Q 2004 per share
Income (loss) from continuing operations	$ 40.7	$ 0.07	$ (18.5)	$ (0.03)
Income from discontinued operations	0.6	$ 0.00	0.3	$ 0.00
Net income (loss)	$ 41.3	$ 0.07	$ (18.2)	$ (0.03)
Recurring income from continuing operations*	$ 65.9	$ 0.11	$ 53.7	$ 0.10
After-tax mark-to-market adjustments	33.6	$ 0.06	(35.7)	$ (0.06)
Recurring income from continuing operations — after mark-to-market adjustment*	$ 99.5	$ 0.17	$ 18.0	$ 0.04

* A schedule reconciling income (loss) from continuing operations to recurring income from continuing operations and mark-to-market adjustments (non-GAAP measures) is available on Williams' web site at www.williams.com and as an attachment to this press release.

TULSA, Okla. — Williams (NYSE:WMB) today announced second-quarter 2005 unaudited net income of $41.3 million, or 7 cents per share on a diluted basis, compared with a net loss of $18.2 million, or a loss of 3 cents per share, for second-quarter 2004.

Year-to-date through June 30, Williams reported net income of $242.4 million, or 41 cents per share on a diluted basis, compared with a loss of $8.3 million, or a loss of 2 cents per share, for the first half of 2004.

For second-quarter 2005, the company reported income from continuing operations of $40.7 million, or 7 cents per share on a diluted basis, compared with a loss of $18.5 million, or a loss of 3 cents per share, for second-quarter 2004 on a restated basis.

The improvement in continuing operations over last year's quarter reflects the benefit of increased levels of natural gas production and higher net realized average prices; the continuation of favorable natural gas processing margins and higher gathering volumes; and lower interest expense and debt-retirement costs.

Those factors were offset partially by a $47.7 million reduction in forward unrealized mark-to-market gains and $38 million in higher impairments of a petroleum pipeline equity investment.

For the first six months of 2005, Williams reported income from continuing operations of $242.9 million, or 41 cents per share on a diluted basis, compared with a loss of $18.5 million, or a loss of 4 cents per share, on a restated basis for the same period in 2004.

CEO Perspective

"Our businesses are producing the strong cash flows and improved profitability that we expect," said Steve Malcolm, chairman, president and chief executive officer.

"We are especially delighted with the rapid volume growth we're seeing in our natural gas production business. Our total production is up 20 percent compared with the first half of last year.

"And during the quarter, we raised our total estimated domestic reserves by 21 percent following a careful study that added 1,600 new drilling locations in the Piceance valley.

"In E&P, we also entered the Fort Worth Basin and reduced our risk around natural gas prices by executing additional hedges. Our entry into the new basin gives Williams another long-term, value-creating growth opportunity," Malcolm added.

"We're also continuing to realize strong results in our gathering and processing business, as well as solid performance in Gas Pipeline and performance as planned in Power."

Recurring Results

Recurring income from continuing operations — which excludes items of income or loss that the company characterizes as unrepresentative of its ongoing operations — was $65.9 million, or 11 cents per share, for the second quarter of 2005.

In last year's second quarter, Williams reported recurring income of $53.7 million, or 10 cents per share, on a restated basis.

The improvement in recurring income is primarily attributable to the benefit of increased levels of natural gas production and higher net realized average prices for production sold; the continuation of favorable natural gas processing margins and higher gathering volumes; and reduced interest expense. The improvement was offset partially by lower forward unrealized mark-to-market gains.

For the first half of this year, recurring income from continuing operations was $264.3 million, or 45 cents per share, compared with $57.7 million, or 11 cents per share, for the first six months of 2004 on a restated basis.

Williams moved upward its expectation for 2005 recurring income from continuing operations to a range of 62 cents to 82 cents per share. In early May, the company's guidance for this measure was 54 cents to 80 cents per share.

The increase in guidance principally resulted from a forecast of improved results in Midstream and Exploration & Production, along with increased mark-to-market gains in Power for the first half of the year.

A reconciliation of the company's income from continuing operations — a generally accepted accounting principles measure — to its recurring results accompanies this news release.

Recurring Results Adjusted for Effect of Mark-to-Market Accounting

To provide an added level of disclosure and transparency, Williams continues to provide an analysis of recurring earnings adjusted for all mark-to-market effects. Williams introduced this measure last year when it reported third-quarter results.

Recurring income from continuing operations — after adjusting for the mark-to-market impact to reflect income as though mark-to-market accounting had never been applied to Power's designated hedges and other derivatives — was $99.5 million, or 17 cents per share, for the second quarter of 2005. In last year's second quarter, the adjusted recurring income was $18 million, or 4 cents per share.

The improvement is primarily the result of increased natural gas production volumes; higher net realized average prices; favorable natural gas liquids processing margins and volumes; and lower interest expense.

For the first six months of the year, recurring income from continuing operations — after adjusting for the mark-to-market impact to reflect income as though mark-to-market accounting had never been applied to Power's designated hedges and other derivatives — was $232 million, or 39 cents per share, compared with $90 million, or 17 cents per share, for the first six months of 2004.

Williams has updated its expectation for 2005 recurring income from continuing operations — on a basis adjusted for the impact of mark-to-market accounting. On that basis, the company now expects 70 cents to 90 cents per share. The company's prior guidance for that measure, issued early in May, was 65 cents to 90 cents per share.

A reconciliation of the company's income from continuing operations on a recurring basis to its recurring results that have been adjusted for the effect of mark-to-market accounting accompanies this news release.

Business Segment Performance

Williams' primary businesses — Exploration & Production, Midstream Gas & Liquids, Gas Pipeline and Power — reported combined segment profit of $316.9 million in the second quarter of 2005.

In the second quarter a year ago, these businesses reported combined segment profit of $318.4 million on a restated basis.

For the first half of 2005, the four major businesses reported combined segment profit of $830.7 million compared with $595.4 million for the same period last year on a restated basis.

The improvement in segment profit for the first half of 2005 is attributable primarily to increased natural gas production volumes and higher net realized average prices; favorable natural gas liquids margins and increased sales volumes; higher natural gas gathering volumes; and higher forward unrealized mark-to-market gains.

Williams continues to expect $1.3 billion to $1.585 billion in consolidated segment profit for 2005, as reported at the end of the first quarter. This guidance includes results for the Other segment, which includes certain equity investments.

On a basis adjusted for the effect of mark-to-market accounting, the company continues to expect $1.375 billion to $1.660 billion in segment profit, as reported at the end of the first quarter. This guidance includes results for the Other segment, as noted above.

Exploration & Production: Volumes Up 20 Percent for First Half of Year

Exploration & Production, which includes natural gas production and development in the U.S. Rocky Mountains, San Juan Basin and Midcontinent, and oil and gas development in South America, reported second-quarter 2005 segment profit of $118.3 million.

In the second quarter a year ago, the business reported segment profit of $43.3 million. The improvement reflects the benefit of significant increases in both production volumes and net realized average prices for production sold.

For the first six months of 2005, Exploration & Production reported segment profit of $222.0 million compared with $94.8 million for the same period last year. The increase is primarily a result of the same factors listed above.

Through June 30, average daily production from domestic and international interests was approximately 633 million cubic feet of gas equivalent (MMcfe), compared with 528 MMcfe in the first half of 2004 — an increase of approximately 20 percent.

Average daily production solely from domestic volumes for the second quarter of 2005 was 604 MMcfe. That was 18 percent higher than domestic volumes of 511 MMcfe from the same quarter a year ago. Increased production primarily reflects higher volumes in the Piceance and San Juan basins.

Year-over-year, the business has benefited this year from higher domestic production prices. Last year's sales prices were affected by lower contracted hedged prices on a greater share of production volumes. During the second quarter of 2005, Williams realized net domestic average prices of $4.16 per thousand cubic feet equivalent (Mcfe) compared with $3.09 per Mcfe in the second quarter a year ago — an increase of approximately 35 percent.

Earlier today, Williams announced that the company has raised its estimate of total proved, probable and possible domestic reserves from 7 trillion cubic feet equivalent (Tcfe) to an estimated 8.5 Tcfe — an increase of 21 percent.

The reserves addition was made following an internal review of potential well sites in the Piceance Basin of western Colorado. Williams now projects 4,600 drilling locations in the Piceance — an increase of approximately 50 percent compared with previous estimates of 3,000 locations. The 4,600 drilling locations are for operations solely in the valley area of the Piceance. The new estimate does not include potential locations from other company projects in the Piceance Basin such as Trail Ridge, Ryan Gulch and Red Point.

As previously announced, Williams continues to expect to drill approximately 300 wells in the Piceance Basin this year; up to 450 wells in the Piceance in 2006; and up to 500 wells in the Piceance in 2007.

Williams also executed natural gas price hedges in the form of collars in the second quarter for certain amounts of its production in the Rockies and San Juan basins for periods through 2007. Collars use derivative instruments to set a floor for a minimum price and a ceiling that sets a maximum price to be received by Williams for hedged volumes. Pricing and volume details for the hedge collars are listed in the second-quarter investor presentation.

On May 11, Williams acquired properties in the Barnett Shale play in the Fort Worth Basin of north Texas from an undisclosed seller. The area is consistent with Williams' experience in tight sands, shale and coalbed methane developments.

The properties include interests in approximately 13,000 net acres of leasehold, subject to final closing adjustments, located primarily in Denton, Johnson and Parker counties. Williams' engineers estimate proved reserves of 17 billion cubic feet equivalent (Bcfe) and additional probable and possible reserves of 40 to 50 Bcfe. Williams expects to grow daily net production from the Barnett Shale to more than 20 million cubic feet equivalent during the next two years.

As a result of development costs related to the newly acquired properties in the Barnett Shale, Williams plans to increase its capital spending in E&P by a total of approximately $80 million to $90 million during the next two to three years, including $35 million in 2005.

For the full year, including acquisition and development costs, Williams now plans to spend between $605 million to $680 million in its Exploration & Production business, compared with previous guidance of $530 million to $605 million.

Williams has increased its expectation for segment profit from Exploration & Production in 2005. The company now expects $410 million to $485 million in segment profit, which includes $8 million of non-recurring income. That expectation is up from its previous guidance of $400 million to $475 million for that measure. The increase is the result of the Fort Worth Basin entry and the floor price of new hedge collars which are above the company's assumed unhedged prices.

Midstream Gas & Liquids: Continues to See Strong Margins and Sales Volumes

Midstream, which provides gathering, processing, natural gas liquids fractionation and storage services, reported second-quarter 2005 segment profit of $109.1 million.

In the second quarter a year ago, the business reported segment profit of $98.5 million on a restated basis.

The quarterly improvement primarily reflects a $16 million increase in natural gas liquids production margins in the West and the Gulf Coast and a $9 million increase in gathering revenues and processing fees. These factors were offset partially by lower revenue associated with the Devils Tower facilities following a correction in revenue-recognition methodology in third-quarter 2004. The correction resulted in the deferral of $16.5 million of revenues recognized in second- quarter 2004. The change had no impact on cash flows.

For the first six months of 2005, Midstream reported segment profit of $237.7 million compared with a restated $208.6 million for the same period last year.

Williams has benefited from favorable natural gas liquids (NGL) margins in both periods, particularly in its western U.S. natural gas processing operations in areas such as Opal and Wamsutter in Wyoming. The current year has further benefited from increased gas gathering and NGL sales volumes, partially offset by lower deepwater asset revenues.

Through June 30, Midstream has sold 737.0 million gallons of NGL equity volumes, an increase of approximately 12 percent compared with equity sales of 655.4 million gallons for the first half of 2004. These gallons are retained by Williams as payment-in-kind under the terms of certain processing contracts and then marketed for sale.

Gathering and processing volumes increased modestly year-over-year. Gathering volumes were 639.1 trillion British thermal units (TBtu) in the first half of 2005 compared with 615.5 TBtu in the 2004 period — an increase of approximately 4 percent. Processing volumes in the first half of 2005 were 365.5 TBtu compared with 360.3 TBtu in the first six months of 2004.

Williams has moved upward its expectation for segment profit in 2005 from Midstream. The company now expects $400 million to $470 million in segment profit from this business, up from its previous expectation of $370 million to $450 million. The increase is principally the result of stronger net liquids margins and higher volumes than previously expected.

Gas Pipeline: Pursuing Expansions in Northeast and Mid-Atlantic Growth Markets

Gas Pipeline, which primarily delivers natural gas to markets along the Eastern Seaboard, in Florida and in the Northwest, reported second-quarter 2005 segment profit of $164.5 million.

In the second quarter a year ago, the business reported segment profit of $132.8 million on a restated basis.

The increase in second-quarter 2005 segment profit compared with a year ago is primarily attributable to the benefit of a $17.1 million reduction to pension expense associated with actuarial corrections to 2003-2004 pension obligations, $5 million in liability reductions associated with prior periods, and the absence of a $9 million write-off of capitalized costs in 2004.

For the first six months of 2005, Gas Pipeline reported segment profit of $331.9 million compared with a restated $280.2 million for the same period last year. The increase for the six-month period in 2005 is primarily the result of the benefit of the second-quarter pension expense correction; approximately $18 million in liability reductions associated with prior periods; $11 million in higher equity earnings from Gulfstream Natural Gas System, L.L.C., a joint venture in which Williams owns a 50 percent interest; and the absence of a $9 million write-off of capitalized costs in 2004.

Gulfstream is benefiting from several recently executed transportation agreements for a total of 400,000 dekatherms per day, serving customers in central Florida. In June, Gulfstream commenced incremental transportation service on its 110-mile Phase II expansion. Approximately two-thirds of Gulfstream's 1.1 billion dekatherms of total capacity is now contracted on a firm basis.

Subsequent to the close of the second quarter, Williams' Transco pipeline began constructing an expansion to add 105,000 dekatherms of new firm service in central New Jersey and initiated an open season for up to 150,000 dekatherms per day of incremental firm transportation service to the greater Washington, D.C., area. The central New Jersey project is expected to be placed into service in November. The new service to D.C. is anticipated to be available in November 2007, subject to Federal Energy Regulatory Commission approval.

Transco also continues to proceed with permitting its Leidy-to-Long Island expansion project to transport 100,000 dekatherms of natural gas per day. This project is expected to be placed into service in November 2007.

Williams has increased its expectation for 2005 segment profit from Gas Pipeline. The company now expects $590 million to $615 million in segment profit from this business, which includes $35 million of non-recurring, prior-period items. The company's previous expectation for this measure was $555 million to $585 million. The increase is largely due to non-recurring items recorded in the first half of the year.

Power: Continues Cash-Flow Positive Year-to-Date

Power manages an approximate 7,000-megawatt power portfolio and provides services that support Williams' natural gas businesses.

Power Recurring Segment Profit Adjusted for Mark-to-Market Impact

	2Q '05 (millions)	2Q '04 (millions)
Segment profit (loss)	$ (75.0)	$ 43.8
Non-recurring adjustments	13.1	—
Recurring segment profit (loss)	(61.9)	43.8
Mark-to-market adjustments — net	54.8	(58.5)
Recurring segment profit after mark-to-market adjustments	$ (7.1)	$ (14.7)

Power reported a second-quarter 2005 segment loss of $75.0 million, down from a segment profit for the same quarter a year ago of $43.8 million on a restated basis. The change is primarily the result of $47.7 million in lower forward unrealized mark-to-market gains; the absence of $34 million in income from the interest-rate portfolio in the 2004 period; and a $13.1 million accrual for litigation contingencies in the 2005 period.

Power reported a recurring segment loss on a basis adjusted for the effect of mark-to-market accounting of $7.1 million in second-quarter 2005, compared with a loss of $14.7 million a year ago. The year-over-year improvement primarily reflects improvements in the power and natural gas portfolio, offset by the absence of gains from the interest-rate portfolio, which was liquidated in fourth-quarter 2004.

In the second quarter of 2005, Power generated approximately $37 million in cash flow from operations, largely the result of changes in working capital.

For the first six months of 2005, Power reported a segment profit of $39.1 million compared with segment profit of $11.8 million for the first half of 2004 on a restated basis. That change is primarily the result of $149.7 million higher forward unrealized mark-to-market gains this year, which was partially offset by the absence of a legacy natural gas portfolio that liquidated in the first quarter last year.

The 2005 period includes forward unrealized mark-to-market gains of $243.2 million, compared with forward unrealized mark-to-market gains of $93.5 million in the first half of 2004.

For the first six months of 2005, Power reported a recurring segment profit on a basis adjusted for the effect of mark-to-market accounting of $11 million, compared with $65 million for the first half of 2004. The year-over-year decline is primarily due to the absence of a legacy natural gas portfolio that liquidated in the first quarter 2004.

For the first six months of 2005, Power generated approximately $85 million in cash flow from operations.

For 2005, Williams continues to expect a segment profit range of a $50 million loss to a $50 million profit from Power on a basis that excludes future mark-to-market changes.

Also unchanged is the company's expectation that Power will generate $50 million to $150 million in 2005 cash flow from operations on a basis that excludes future changes in working capital used in commodity risk management activity on behalf of all Williams commodity businesses.

On a basis adjusted for the effect of mark-to-market accounting, Williams continues to expect Power to generate 2005 recurring earnings of $50 million to $150 million.

Cash and Debt: $488.9 Million Net Cash From Operations in Quarter

Net cash provided by operating activities for the second quarter of 2005 was $488.9 million. Through June 30, net cash provided by operating activities was $793.3 million, compared with $615.1 million in the first half of 2004.

While the company reports that underlying operating cash flows continue to improve, it has lowered its expectation for 2005 cash flow from operating activities by $150 million to reflect the effect of a preliminary income tax settlement of $180 million to $200 million, and a forecasting reclassification of $88 million related to the Grays Harbor contract termination from operating to investing activities. The company now expects cash flow of $1.15 billion to $1.45 billion for the year, compared with $1.3 billion to $1.6 billion as projected at the end of the first quarter.

At the end of the second quarter, Williams had total liquidity of approximately $2.15 billion. This consists of unrestricted cash and cash equivalents of approximately $1.3 billion; other liquid investments of $94.7 million; and $761 million in unused and available revolving credit facilities.

Williams has reduced its debt by approximately $221 million in 2005 through scheduled maturities. At June 30, 2005, Williams' total outstanding debt was approximately $7.74 billion.

Year-to-date, Williams has realized a year-over-year decrease in net interest expense of approximately $134 million as a result of debt reductions.

Partnership IPO Expected in Third Quarter

Subsequent to the close of the first quarter, Williams Partners L.P. filed a Form S-1 registration with the Securities and Exchange Commission relating to a proposed underwritten initial public offering for limited partnership interests in this wholly owned Williams entity.

Williams Partners L.P. will own a 40 percent interest in the Discovery natural gas gathering, transportation, processing and NGL fractionation system that runs from the deepwater Gulf of Mexico to a location near Paradis, La.; the Carbonate Trend sour-gas gathering pipeline off the coast of Alabama; three integrated NGL storage facilities near Conway, Kan.; and a 50 percent interest in an NGL fractionator near Conway.

The registration statement for Williams Partners L.P. has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, sale or solicitation would be unlawful prior to registration or qualification under the securities law in any such state.

Today’s Analyst Call

Williams’ management will discuss the company’s second-quarter 2005 financial results and outlook during an analyst presentation to be webcast live beginning at 10 a.m. Eastern today.

Participants are encouraged to access the presentation and corresponding slides via www.williams.com. A limited number of phone lines also will be available at (800) 946-0713. International callers should dial (719) 457-2642. Callers should dial in at least 10 minutes prior to the start of the discussion. Replays will be available at www.williams.com.

Form 10-Q

The company is filing its Form 10-Q today with the Securities and Exchange Commission. The document will be available on both the SEC and Williams websites.

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams’ operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, Southern California and Eastern Seaboard. More information is available at www.williams.com.

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Williams' reports, filings, and other public announcements might contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Private Securities Litigation Reform Act of 1995. You typically can identify forward-looking statements by the use of forward-looking words, such as "anticipate," "believe," "could," "continue," "estimate," "expect," "forecast," "may," "plan," "potential," "project," "schedule," "will," and other similar words. These statements are based on our intentions, beliefs, and assumptions about future events and are subject to risks, uncertainties, and other factors. Actual results could differ materially from those contemplated by the forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with such statements, other factors could cause our actual results to differ materially from the results expressed or implied in any forward-looking statements. Those factors include, among others: changes in general economic conditions and changes in the industries in which Williams conducts business; changes in federal or state laws and regulations to which Williams is subject, including tax, environmental and employment laws and regulations; the cost and outcomes of legal and administrative claims proceedings, investigations, or inquiries; the results of financing efforts, including our ability to obtain financing on favorable terms, which can be affected by various factors, including our credit ratings and general economic conditions; the level of creditworthiness of counterparties to our transactions; the amount of collateral required to be posted from time to time in our transactions; the effect of changes in accounting policies; the ability to control costs; the ability of each business unit to successfully implement key systems, such as order entry systems and service delivery systems; the impact of future federal and state regulations of business activities, including allowed rates of return, the pace of deregulation in retail natural gas and electricity markets, and the resolution of other regulatory matters; changes in environmental and other laws and regulations to which Williams and its subsidiaries are subject or other external factors over which we have no control; changes in foreign economies, currencies, laws and regulations, and political climates, especially in Canada, Argentina, Brazil, and Venezuela, where Williams has direct investments; the timing and extent of changes in commodity prices, interest rates, and foreign currency exchange rates; the weather and other natural phenomena; the ability of Williams to develop or access expanded markets and product offerings as well as their ability to maintain existing markets; the ability of Williams and its subsidiaries to obtain governmental and regulatory approval of various expansion projects; future utilization of pipeline capacity, which can depend on energy prices, competition from other pipelines and alternative fuels, the general level of natural gas and petroleum product demand, decisions by customers not to renew expiring natural gas transportation contracts; the accuracy of estimated hydrocarbon reserves and seismic data; and global and domestic economic repercussions from terrorist activities and the government's response to such terrorist activities. In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time that we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In regard to the company's reserves in Exploration & Production, the SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves. We have used certain terms in this news release, such as "probable" reserves and "possible" reserves and "new opportunities potential" reserves that the SEC's guidelines strictly prohibit us from including in filings with the SEC. The SEC defines proved reserves as estimated quantities that geological and engineering data demonstrate with reasonable certainty to be recoverable in the future from known reservoirs under the assumed economic conditions. Probable and possible reserves are estimates of potential reserves that are made using accepted geological and engineering analytical techniques, but which are estimated with reduced levels of certainty than for proved reserves. Possible reserve estimates are less certain than those for probable reserves. New opportunities potential is an estimate of reserves for new areas for which we do not have sufficient information to date to raise the reserves to either the probable category or the possible category. New opportunities potential estimates are even less certain that those for possible reserves. Reference to "total resource portfolio" include proved, probable and possible reserves as well as new opportunities potential. Investors are urged to closely consider the disclosures and risk factors in our Forms 10-K and 10-Q, available from our offices or from our website at www.williams.com.

Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings
(UNAUDITED)

(Dollars in millions, except for per-share amounts)	2004 *1st Qtr*	2004 *2nd Qtr*	2004 *3rd Qtr*	2004 *4th Qtr*	2004 *Year*	2005 *1st Qtr*	2005 *2nd Qtr*	2005 *Year*
Income (loss) from continuing operations available to common stockholders	$ 0.0	$ (18.5)	$ 16.2	$ 95.5	$ 93.2	$ 202.2	$ 40.7	$ 242.9
Income (loss) from continuing operations — diluted earnings per share	$ —	$ (0.03)	$ 0.03	$ 0.17	$ 0.17	$ 0.34	$ 0.07	$ 0.41
Nonrecurring items:								
Power								
Accrual for a regulatory settlement (1)	—	—	—	—	—	4.6	—	4.6
Accrual for litigation contingencies (1)	—	—	—	—	—	—	13.1	13.1
Prior period correction	—	—	—	—	—	6.8	—	6.8
Total Power nonrecurring items	—	—	—	—	—	11.4	13.1	24.5
Gas Pipeline								
Prior period liability corrections — TGPL	—	—	—	—	—	(13.1)	(4.6)	(17.7)
Prior period pension adjustment — TGPL	—	—	—	—	—	—	(17.1)	(17.1)
Write-off of previously-capitalized costs — idled segment of Northwest’s pipeline	—	9.0	—	—	9.0	—	—	—
Total Gas Pipeline nonrecurring items	—	9.0	—	—	9.0	(13.1)	(21.7)	(34.8)
Exploration & Production								
Gain on sale of E&P properties	—	—	—	—	—	(7.9)	—	(7.9)
Loss provision related to an ownership dispute	—	11.3	—	4.1	15.4	0.3	—	0.3
Total Exploration & Production nonrecurring items	—	11.3	—	4.1	15.4	(7.6)	—	(7.6)
Midstream Gas & Liquids								
La Maquina depreciable life adjustment	—	—	6.4	1.2	7.6	—	—	—
Gain on sale of Louisiana Olefins assets	—	—	—	(9.5)	(9.5)	—	—	—
Gulf Liquids arbitration award (Winterthur)	—	—	—	(93.6)	(93.6)	—	—	—
Impairment of Discovery	—	—	—	16.9	16.9	—	—	—
Devil’s Tower revenue correction	—	(16.5)	16.5		—	—	—	—
Total Midstream Gas & Liquids nonrecurring items	—	(16.5)	22.9	(85.0)	(78.6)	—	—	—
Other								
Impairment of Longhorn	—	10.8	—	—	10.8	—	49.1	49.1
Write-off of capitalized project development costs	—	—	—	—	—	—	4.0	4.0
Augusta environmental reserve	—	—	—	11.8	11.8	—	—	—
Longhorn recapitalization fee	6.5	—	—	—	6.5	—	—	—
Total Other nonrecurring items	6.5	10.8	—	11.8	29.1	—	53.1	53.1
Nonrecurring items included in segment profit (loss)	6.5	14.6	22.9	(69.1)	(25.1)	(9.3)	44.5	35.2
Nonrecurring items below segment profit (loss)								
Impairment of cost-based investments (Investing income (loss) — Various)	—	—	15.7	2.3	18.0	—	—	—
Write-off of capitalized debt expense (Interest accrued — Corporate)	—	3.8	—	—	3.8	—	—	—
Premiums, fees and expenses related to the debt repurchase and debt	—	96.7	155.1	29.7	281.5	—	—	# -

tender offer (Other income (expense) — net — Corporate and Exploration & Production)								
Gulf Liquids arbitration award (Winterthur) — interest income — (Investing income / loss) — Midstream)	—	—	—	(9.6)	(9.6)	—	—	—
Gain on sale of remaining interests in Seminole Pipeline and MAPL (Investing income / loss — Midstream)	—	—	—	—	—	—	(8.6)	(8.6)
Loss provision related to an ownership dispute — interest component (Interest accrued — Exploration & Production)	—	1.9	—	2.1	4.0	2.7	—	2.7
	—	102.4	170.8	24.5	297.7	2.7	(8.6)	(5.9)
Total nonrecurring items	6.5	117.0	193.7	(44.6)	272.6	(6.6)	35.9	29.3
Tax effect for above items (1)	2.5	44.8	74.1	(17.1)	104.3	(2.8)	10.7	7.9
Recurring income from continuing operations available to common stockholders	$ 4.0	$ 53.7	$ 135.8	$ 68.0	$ 261.5	$ 198.4	$ 65.9	$ 264.3
Recurring diluted earnings per common share	$ 0.01	$ 0.10	$ 0.26	$ 0.12	$ 0.49	$ 0.33	$ 0.11	$ 0.45
Weighted-average shares — diluted (thousands)	519,485	521,698	529,525	586,497	535,611	599,422	578,902	602,956

(1) No tax effect on $.6 million of the accrual for a regulatory settlement in 1st quarter 2005 and $8 million of the accrual for litigation contingencies in 2nd quarter 2005.

Note: The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.

Adjustment to remove MTM impact

Dollars in millions except for per share amounts

	2005					2004				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
Recurring income from cont. ops available to common shareholders	**$ 198**	**$ 66**			**$ 264**	**$ 4**	**$ 54**	**$ 136**	**$ 68**	**$ 261**
Recurring diluted earnings per common share	**$ 0.33**	**$ 0.10**			**$ 0.44**	**$ 0.01**	**$ 0.10**	**$ 0.26**	**$ 0.12**	**$ 0.49**
Mark-to-Market (MTM) adjustments:										
Reverse forward unrealized MTM gains/losses	(221)	(22)			(243)	(24)	(70)	(187)	(23)	(304)
Add realized gains/losses from MTM previously recognized	113	77			190	136	11	45	(6)	186
Total MTM adjustments	(108)	55			(53)	112	(59)	(142)	(29)	(118)
Tax effect of total MTM adjustments (at 39%)	(42)	21			(21)	44	(23)	(55)	(11)	(46)
After tax MTM adjustments	(66)	34			(32)	68	(36)	(87)	(17)	(72)
Recurring income from cont. ops available to common shareholders after MTM adjust.	**$ 132**	**$ 100**			**$ 232**	**$ 72**	**$ 18**	**$ 49**	**$ 51**	**$ 189**
Recurring diluted earnings per share after MTM adj.	**$ 0.22**	**$ 0.17**			**$ 0.39**	**$ 0.14**	**$ 0.04**	**$ 0.09**	**$ 0.09**	**$ 0.35**
weighted average shares — diluted (thousands)	599,422	578,902			602,956	519,485	521,698	529,525	586,497	535,611

Adjustments have been made to reverse estimated forward unrealized MTM gains/losses and add estimated realized gains/losses from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.

EXHIBIT 99.2

Williams 2005 2nd Quarter Earnings Release

August 4, 2005

Forward Looking Statements

Our reports, filings, and other public announcements might contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You typically can identify forward-looking statements by the use of forward-looking words, such as "anticipate," "believe," "could," "continue," "estimate," "expect," "forecast," "may," "plan," "potential," "project," "schedule," "will," and other similar words. These statements are based on our intentions, beliefs, and assumptions about future events and are subject to risks, uncertainties, and other factors. Actual results could differ materially from those contemplated by the forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with such statements, other factors could cause our actual results to differ materially from the results expressed or implied in any forward-looking statements. Those factors include, among others:

- Our businesses are subject to complex government regulations that are subject to changes in the regulations themselves or in their interpretation or implementation;
- Our ability to gain adequate, reliable and affordable access to transmission and distribution assets due to the FERC and regional regulation of wholesale market transactions for electricity and gas;
- Our gas sales, transmission and storage operations are subject to government regulations and rate proceedings that could have an adverse impact on our ability to recover the costs of operating our pipeline facilities;
- The different regional power markets in which we compete or will compete in the future have changing regulatory structures;
- Our risk measurement and hedging activities might not prevent losses;
- Electricity, natural gas liquids and gas prices are volatile and this volatility could adversely affect our financial results, cash flows, access to capital and ability to maintain existing businesses;
- We might not be able to successfully manage the risks associated with selling and marketing products in the wholesale energy markets;
- Our operating results might fluctuate on a seasonal and quarterly basis;
- Risks related to laws of other countries, taxes, economic conditions, fluctuations in currency rates, political conditions and policies of foreign governments;
- Legal proceedings and governmental investigations related to our business;
- Recent developments affecting the wholesale power and energy trading industry sector that have reduced market activity and liquidity;
- Because we no longer maintain investment grade credit ratings, our counterparties have required us to provide higher amounts of credit support;
- Despite our restructuring efforts, we may not attain investment grade ratings;
- Institutional knowledge represented by our former employees now employed by our outsourcing service provider might not be adequately preserved;
- Failure of the outsourcing relationship might negatively impact our ability to conduct our business;
- Our ability to receive services from outsourcing provider locations outside the United States might be impacted by cultural differences, political instability, or unanticipated regulatory requirements in jurisdictions outside the United States;
- We could be held liable for the environmental condition of any of our assets, which could include losses or costs of compliance that exceed our current expectations;
- Environmental regulation and liability relating to our business will be subject to environmental legislation in all jurisdictions in which it operates, and such legislation may be subject to change;
- Potential changes in accounting standards that might cause us to revise our financial disclosure in the future, which might change the way analysts measure our business or financial performance;
- The continued availability of natural gas reserves to our natural gas transmission and midstream businesses;
- Our drilling, production, gathering, processing and transporting activities involve numerous risks that might result in accidents and other operating risks and costs;
- Compliance with the Pipeline Improvement Act may result in unanticipated costs and consequences;
- Estimating reserves and future net revenues involves uncertainties and negative revisions to reserve estimates and oil and gas price declines may lead to impairment of oil and gas assets;
- The threat of terrorist activities and the potential for continued military and other actions;
- The historic drilling success rate of our exploration and production business is no guarantee of future performance; and
- Our assets and operations can be affected by weather and other phenomena.

In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Oil & Gas Reserves Disclaimer

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves. We use certain terms in this presentation, such as "probable" reserves and "possible" reserves and "new opportunities potential" reserves that the SEC's guidelines strictly prohibit us from including in filings with the SEC.

The SEC defines proved reserves as estimated quantities that geological and engineering data demonstrate with reasonable certainty to be recoverable in the future from known reservoirs under the assumed economic conditions. Probable and possible reserves are estimates of potential reserves that are made using accepted geological and engineering analytical techniques, but which are estimated with reduced levels of certainty than for proved reserves. Possible reserve estimates are less certain than those for probable reserves. New opportunities potential is an estimate of reserves for new areas for which we do not have sufficient information to date to raise the reserves to either the probable category or the possible category. New opportunities potential estimates are even less certain that those for possible reserves.

Reference to "total resource portfolio" include proved, probable and possible reserves as well as new opportunities potential.

Investors are urged to closely consider the disclosures and risk factors in our Forms 10-K and 10-Q, available from our offices or from our Web site at www.williams.com.

2Q05 Review

Steve Malcolm
Chairman, President & CEO

Overview

Headlines

Key performance measures – moving up

- E&P segment profit – up more than 100%
- Domestic gas production – up 18% during half-year
- NGL sales volumes – up 13% for 6-month period
- Net cash from operations – up 29% during first quarter
- Recurring after mark-to-market – up more than 100%

Other Developments

- Refined 2Q05 earnings guidance
- Returning more to investors via dividends
- Hedging gas production price risk with collars
- Continuing MLP process
  - Williams Partners LP in SEC registration process
  - Filed 3rd amendment to preliminary registration statement
  - No more details in today's call
- Attending to legacy issues
  - Proposed tax settlement - previously reserved
  - Longhorn impairment - non-cash
  - Litigation – update in 10-Q

Overview

Headlines

Williams' growth opportunities are growing

- Exploration & Production
  - Piceance drilling locations and reserves – up significantly
  - Developing new Piceance opportunities
  - Entry into Ft. Worth Basin's Barnett Shale play
  - Expect continued strong production growth
- Midstream
  - Drilling activity in West boosts demand for services
  - Excellent position to capture new deepwater business
- Gas Pipeline
  - Seizing opportunities to meet growing demand
  - Returns on growth expected via rate cases
- Power
  - Growing success in mid-term deals that reduce risk

Financial Results and 2005 Outlook

Don Chappel
CFO

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Financial Results

Dollars in millions (except per share amounts)	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Income (Loss) from Continuing Operations	$40	$(18)	$243	$(18)
Income (Loss) from Disc. Operations	1	-	(1)	10
Net Income (Loss)	$41	$(18)	$242	$(8)
Net Income (Loss)/Share	$0.07	($0.03)	$0.41	($0.02)
Recurring Inc. from Cont. Ops./Share	$0.11	$0.10	$0.45	$0.11
Recurring Inc. from Cont. Ops. After MTM Adjustments/Share	$0.17	$0.04	$0.39	$0.17

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

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Recurring Income from Cont. Operations

Dollars in millions	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Income from Continuing Operations	$40	($18)	$243	($18)
Nonrecurring Items				
Impairments/Losses/Write-offs	53	26	53	26
Expense related to Prior Periods	(22)	(6)	(28)	-
Gain on Sale of Assets	(9)	-	(17)	-
Debt Retirement Expense	-	97	-	97
Other - Net	14	-	20	
Total nonrecurring	$36	$117	$29	$123
Tax Effect of Adjustments	10	45	8	47
Recurring Inc. from Cont. Ops. Avail. To Com.	$66	$54	$264	$58
Recurring Income from Cont. Ops./Share	$0.11	$0.10	$0.45	$0.11

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

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Recurring Income from Cont. Operations After Mark-to-Market Adjustments

Dollars in millions, except for per-share amounts	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Recurring Income from Cont. Ops. Avail. To Common	$66	$54	$264	$58
Recurring Diluted Earnings per Common Share	$0.11	$0.10	$0.45	$0.11
Mark-to-Market (MTM) adjustments for Power:				
Reverse forward unrealized MTM gains	(22)	(69)	(243)	(93)
Add realized gains from MTM previously recognized	77	10	190	146
Total MTM adjustments	55	(59)	(53)	53
Tax Effect of Total MTM Adjustments (at 39%)	(21)	23	21	(21)
After-tax MTM Adjustments	34	(36)	(32)	32
Recurring income from Continuing Operations Avail. To Common Shareholders After MTM Adjustments	$100	$18	$232	$90
Recurring Diluted Earnings Per Share After MTM adjustments	$0.17	$0.04	$0.39	$0.17

Note:
Adjustments have been made to reverse estimated forward unrealized MTM gains and add estimated realized gains from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.

A more detailed schedule reconciling income from continuing operations to recurring income from continuing operations after MTM adjustments is available on Williams' Web site at www.williams.com.

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Net Income Components

Dollars in millions (except per share amounts)	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Segment Profit	**$256**	**$304**	**$766**	**$572**
Net Interest Expense	(163)	(222)	(327)	(461)
Debt Retirement expense	-	(97)	-	(97)
Other Income (Expense) - Net	(11)	(21)	(25)	(38)
Income from Cont. Ops. Before Tax	$82	$(36)	$414	$(24)
Provision for Income Tax	42	(18)	171	(6)
Income (Loss) from Continuing Ops.	$40	($18)	$243	($18)
Income (Loss) from Discontinued Ops.	1	-	(1)	10
Net Income	$41	($18)	$242	($8)

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

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Second Quarter Segment Profit

Dollars in millions	Reported 2Q05	Reported 2Q04	Recurring 2Q05	Recurring 2Q04
Exploration & Production	$118	$43	$118	$55
Midstream Gas & Liquids	109	99	109	82
Gas Pipeline	165	133	143	142
Power	(75)	44	(62)	44
Other	(61)	(15)	(7)	(4)
Segment Profit	$256	$304	$301	$319
MTM Adjustments - Power			55	(59)
Segment Profit after MTM Adjustments			**$356**	**$260**
Memo:				
Power after MTM adjustments			**$(7)**	**$(15)**

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

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2005 YTD Segment Profit

Dollars in millions	Reported 2005	Reported 2004	Recurring 2005	Recurring 2004
Exploration & Production	$222	$95	$214	$106
Midstream Gas & Liquids	238	209	238	192
Gas Pipeline	332	280	297	289
Power	39	12	64	12
Other	(65)	(24)	(12)	(5)
Segment Profit	$766	$572	$801	$594
MTM Adjustments			(53)	53
Segment Profit after MTM Adjustments			**$748**	**$647**
Memo:				
Power after MTM adjustments			**$11**	**$65**[1]

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

[1] Includes impact of legacy natural gas portfolio that liquidated in 1Q04.

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Major Changes in Quarter Recurring Segment Profit After Mark-to-Market Adjustments

Dollars in millions

Recurring Segment Profit after MTM Adj. 2Q04	**$260**
Exploration & Production	63
- Higher production volumes +$20million	
- Higher net realized price +$45 million	
Midstream	27
- Increased NGL margins +$16 million	
- Increased Gathering revenues +$9 million	
- Increase product handling fees +$4 million	
Gas Pipeline	-
- Increased Gulfstream earnings +$3 million	
- Grays Harbor contract termination -4 million	
Power	8
- Improved Power and Natural Gas Portfolio cash flows +$25 million	
- Absence of realized gains on interest rate portfolio -$34 million	
Other	(2)
Recurring Segment Profit after MTM Adj. 2Q05	**$356**

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Cash Information

Dollars in millions	2Q05	YTD05
Beginning Unrestricted	**$1,210**	**$930**
Cash flow from Continuing Operations	489	793
Proceeds from Issuing Common[1]	9	297
Sale of WilTel Note	-	55
Contract Termination Payment	-	88
Debt Retirements	(5)	(221)
Capital Expenditures	(294)	(517)
Dividends	(29)	(57)
Other-Net	(83)	(71)
Change in Cash and Cash equivalents	$87	$367
Ending Unrestricted Cash at 6/30/05		$1,297[2]
Restricted Cash at 6/30/05 (not included above)		$101

[1] $273 MM of proceeds related to settlement of purchase contract underlying FELINE PACS
[2] Includes international cash ($185), cash to settle legacy matters including tax settlement ($200), AK Quality Bank judgment ($180) and other matters.

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Debt Balance

Dollars in millions

		Avg. Cost
Debt Balance @ 12/31/04[1]	**$7,962**	**7.4%**
Scheduled Debt Retirements & Amortization	(216)	
Capitalized Lease	4	
Debt Balance @ 3/31/05[1]	**$7,750**	**7.4%**
Scheduled Debt Retirements & Amortization	(6)	
Debt Balance @ 6/30/05[1]	**$7,744**	**7.5%**
Fixed Rate Debt @ 6/30/05	**$7,089**	**7.7%**
Variable Rate Debt @ 6/30/05	**$655**	**5.2%**

[1] *Debt is long-term debt due within 1 year plus long-term debt.*

Business Unit Results

Exploration & Production

Ralph Hill
Senior Vice President

Exploration & Production

Segment Profit

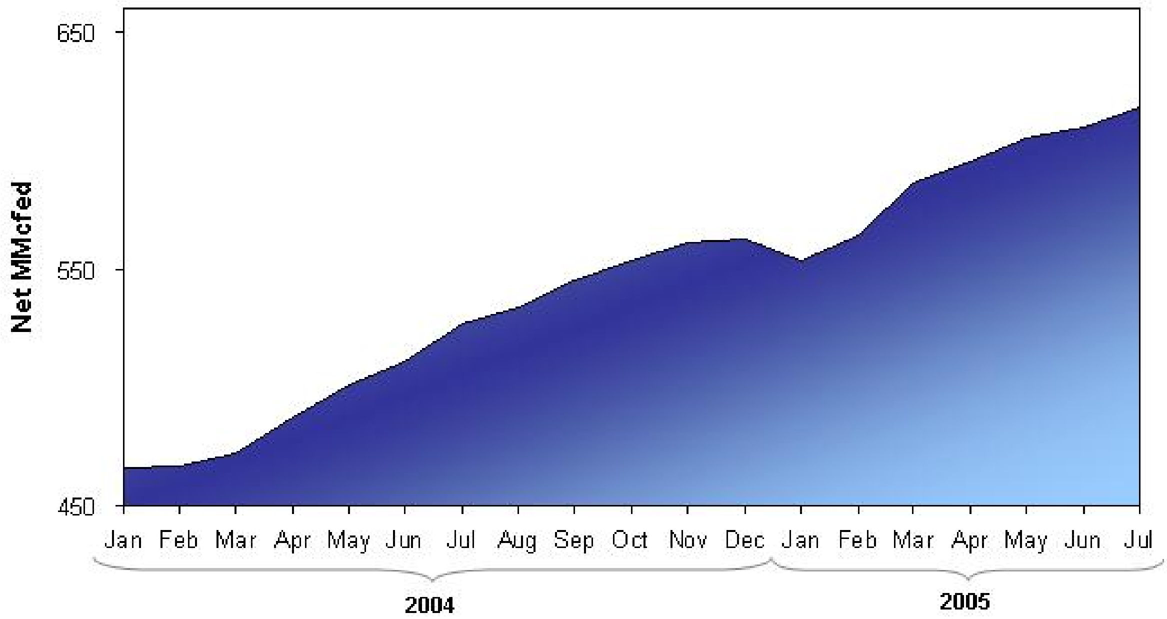
Dollars in millions	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Segment Profit	$118	$43	$222	$95
Nonrecurring:				
Ownership Issue	-	11	-	11
Gain on sale of assets	-	-	(8)	-
Recurring Segment Profit	$118	$55[1]	$214	$106

- **2Q04 to 2Q05 financial highlights include:**
  - Volume increase of 17.5%
  - Net realized price increase of 35%
  - Recurring profit increase of 115%
- **Base business sequential quarter improved**
  - Increased recurring segment profit 23%
  - Increased volumes 6%
- **$55.2 million negative hedge impact in 2Q05, $91.5 million year to date**

[1] *Does not add due to rounding*

Exploration & Production

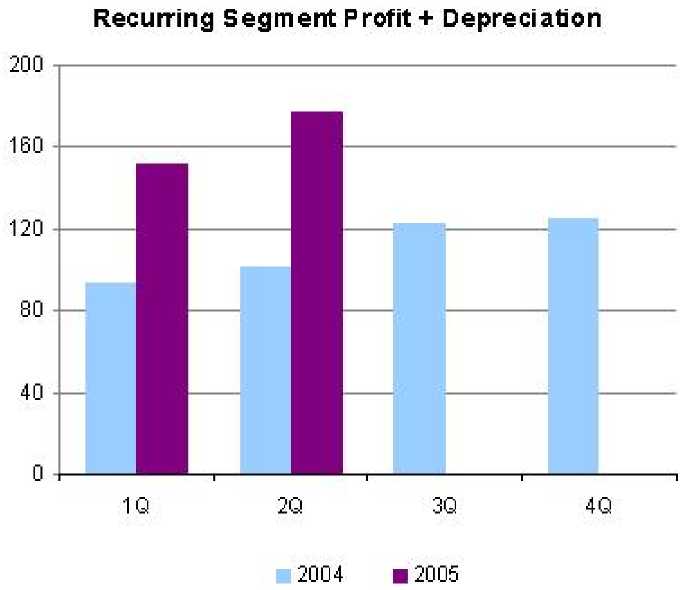
Strong Domestic Production Growth



2nd Quarter and 2005 Accomplishments

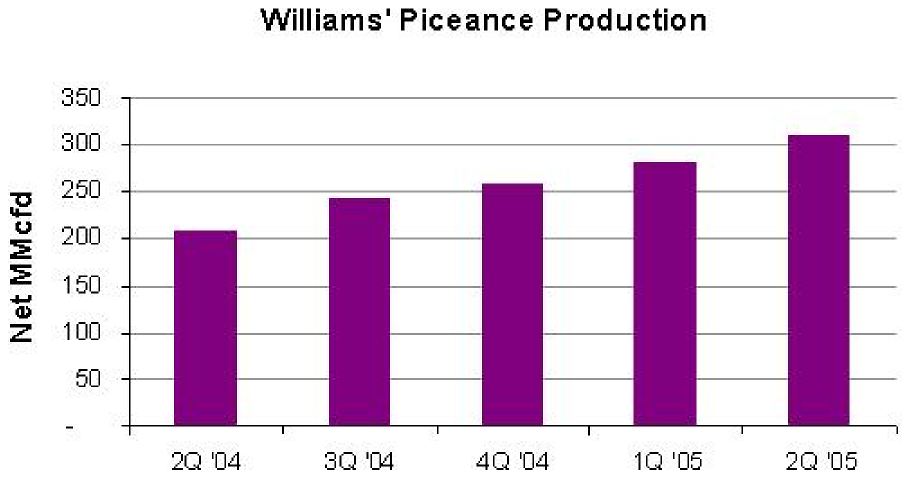
Exploration & Production

- Volumes rising in all core basins
- Big George gross production up to 110 MMcf/d
- San Juan hits record production
- Increase in Piceance Valley location inventory and probable reserves
- 11 rigs operating in Piceance Valley, 4 rigs in Trail Ridge & Ryan Gulch
- H&P first rig on schedule for Nov 1
- Ft. Worth-Barnett Shale entry acquisition



Piceance Production Growth

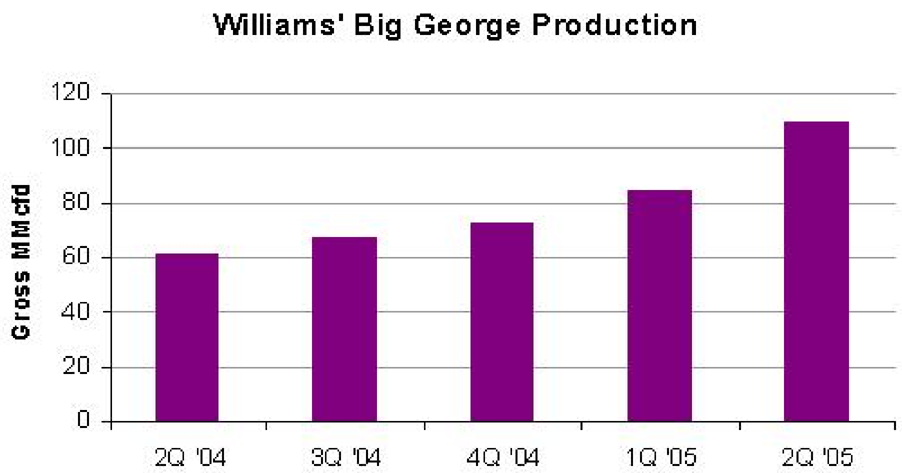
- Up 100 MMcf/d or 48% over a year ago
- Up 28 MMcf/d or 10% sequentially



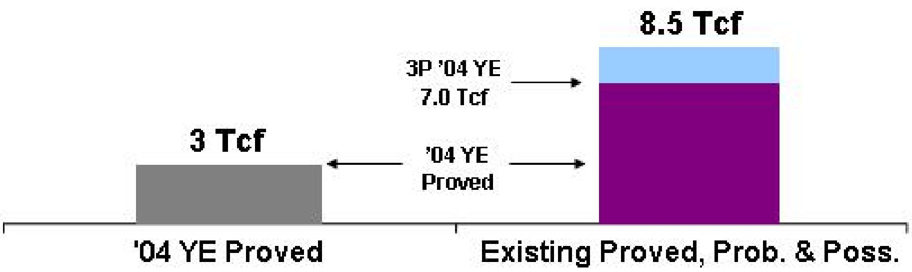
Exploration & Production

Powder River Basin
Big George Coal Area

- Up 48 MMcf/d or 78% over a year ago
- Up 25 MMcf/d or 29% sequentially
- Big George production increase offsets Wyodak decline



Updated 3P Reserves

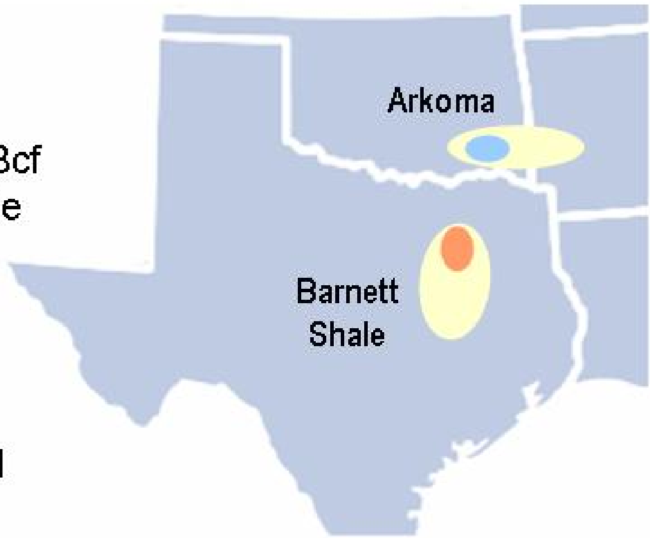


- 37.5% increase in probable and possible reserves
- Extensive study of Piceance Valley yielded additional 1,600 locations and ~1.5 Tcf probable and possible reserves
  - Rock quality
  - Land/topography
  - Drilling reach
- H&P rig capabilities provide access to some of the additional locations
- Does not include Trail Ridge, Ryan Gulch, Red Point and other new areas under Williams' control

Exploration & Production

Entrance into Ft. Worth Basin

- Barnett Shale position established:
  - 13,000 net acres
  - Proved reserves of 17 Bcf with 40-50 Bcfe probable and possible
  - High working interest averaging ~90%
  - Utilizes Williams' Mid-continent horizontal drilling expertise
  - Provides numerous bolt-on opportunities



Exploration & Production

2005-2007 Hedge Update

Dollars in millions	2005	2006	2007
Fixed Price:	**2nd Half**		
NYMEX			
Volume (MMcfe/d)	283	299	172
Price ($/Mcfe)	$4.48	$4.39	$4.18
Collars :			
NYMEX			
Volume (MMcfe/d)	50	65	15
Price ($/Mcfe)	$6.75 - $8.50	$6.62 - $8.42	$6.50 - $8.25
NEW **Regional**			
NWPL Rockies[1]			
Volume (MMcfe/d)	50	50	50
Price ($/Mcfe)	$6.10 - $7.70 **4Q only**	$6.05 - $7.90	$5.65 - $7.45
EPNG San Juan[1]			
Volume (MMcfe/d)			50
Price ($/Mcfe)			$5.65 - $7.45

[1] *Please note basin locations not NYMEX*

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Exploration & Production

2005-2007 Guidance

Dollars in millions	2005	2006	2007
Segment profit	$410 - 485[1] *400 - 475*	$520 - 595 *480 - 555*	$595 - 720 *550 - 675*
Annual DD&A	235 - 265	295 - 335 *280 - 320*	365 - 415 *350 - 400*
Segment profit + DD&A	$645 - 750 *635 - 740*	$815 - 930 *760 - 875*	$960 - 1,135 *900 - 1,075*
Capital spending	$605 - 680 *530 - 605*	$760 - 860 *725 - 825*	$735 - 885 *725 - 875*
Production (MMcfe/d)	625 - 700 *600 - 700*	740 - 840 *720 - 820*	850 - 950 *825 - 925*
Unhedged Price Assumption (NYMEX, $/Mcf)	$6.34	$5.96	$5.75

[1] ***Includes YTD nonrecurring adjustments which increase reported earnings by $8 million***
A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com

Note: If guidance has changed, previous guidance from 5/5/2005 is shown in italics directly below

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Exploration & Production

Key Points

- Delivering meaningful volume growth through expanded development drilling activity -- Piceance is primary growth driver
- Experienced and talented workforce
- Long history of high drilling success, low finding costs
- Short time cycle investments, fast cash returns
- Maintaining top quartile cost and efficiency position
- Long-term repeatable drilling inventory of significant proved undeveloped, probables, and possibles
- Exciting new opportunities
  - Trail Ridge, Ryan Gulch, Red Point, Ft. Worth Basin, and Caney Shale
- Strategy remains rapid development of our premier drilling inventory

Midstream

Alan Armstrong
Senior Vice President

Midstream

Segment Profit

Dollars in millions	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Segment Profit	**$109**	**$99**	**$238**	**$209**
Nonrecurring:				
Devils Tower Revenue Recognition[1]		(17)		(17)
Recurring Segment Profit	**$109**	**$82**	**$238**	**$192**

- **2Q04 to 2Q05 financial highlights include:**
  - $16 million - Increase in domestic NGL margins
  - $9 million - Increase in gathering and processing fees
  - $4 million - Increase in production handling fees
- **YTD 2004 to YTD 2005 include:**
  - $35 million - Increase in domestic NGL margins
  - $8 million - Increase in domestic NGL volume
  - $12 million - Increase in gathering and processing fees

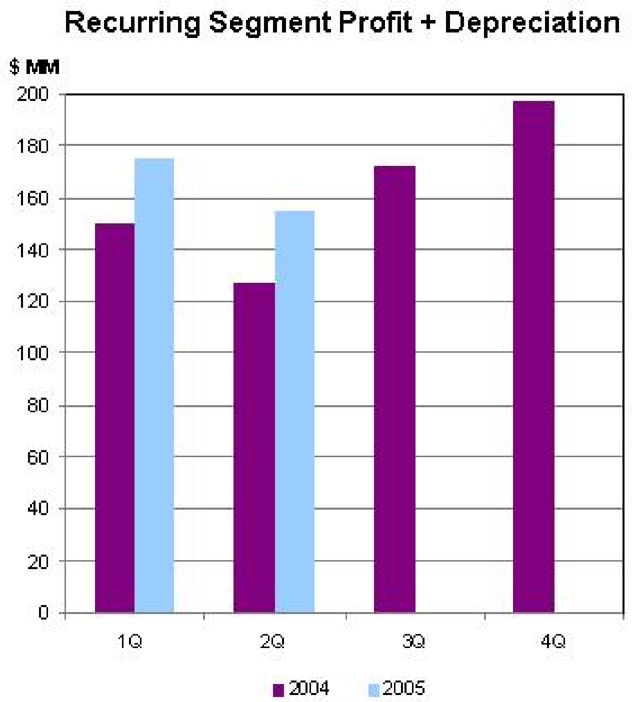
[1] Prior period item

Williams

Midstream

2nd Quarter and 2005 Accomplishments

- 2Q05 vs 2Q04: Gathering volumes up 5%
- Organic Growth:
  - Quintana Mesa
  - Wamsutter Phase 1
- Raised $55 million in asset sales



Midstream

2005-2007 Guidance

Dollars in millions	2005	2006	2007
Segment Profit	$400-470 *$370 - $450*	$400-500	$400-520
Annual DD&A	180-190	185-195	190-200
Segment Profit + DDA	$580-660 *$550 - $640*	$585-695	$590-720
Capital Spending	$120-140	$110-130	$100-130

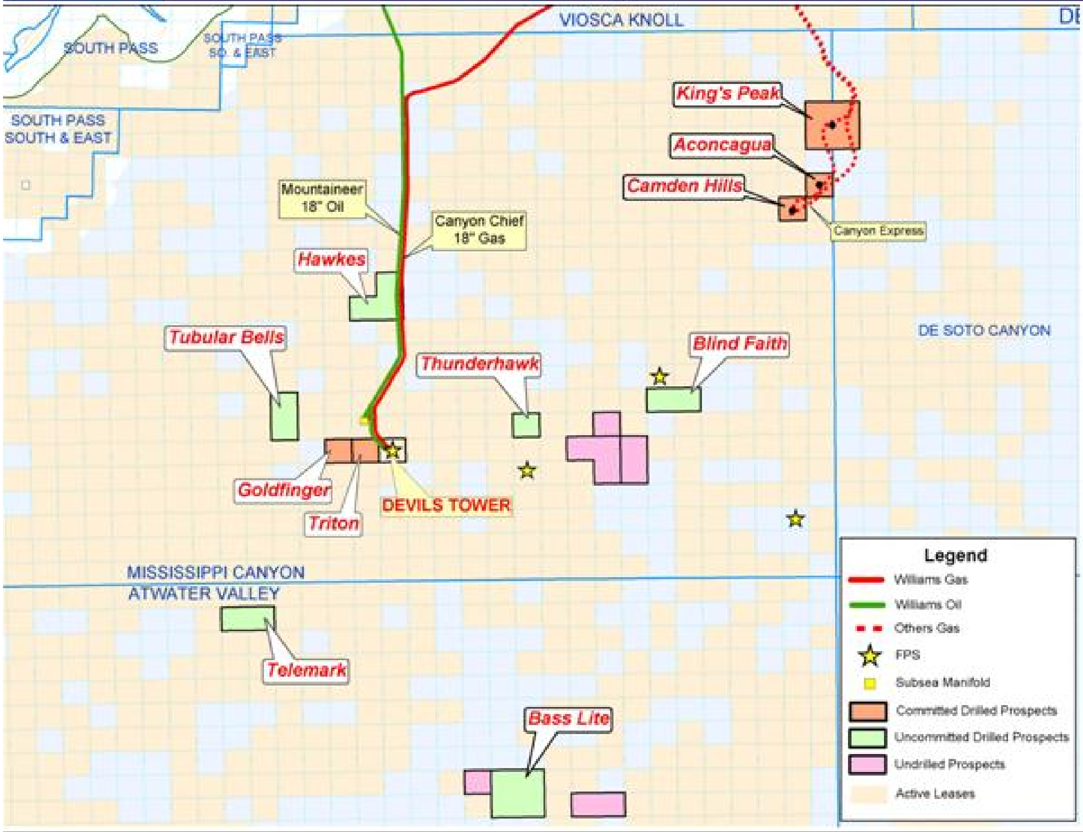
Major Growth Projects Not Included

- Gathering and processing expansions in the West
- Footprint expansion of deepwater infrastructure

Note: *If guidance has changed, previous guidance from 5/5/2005 is shown in italics directly below*

Midstream

Deepwater Activity



Midstream

Key Points

- Strong earnings and cash flows
- Raising 2005 segment profit guidance, again
- Capturing growth opportunities
  - Organic growth around our Western assets
  - Footprint expansion in the deepwater
- One-two punch
  - Premier assets in growth basins
  - Attracting volumes through reliability

Gas Pipeline

Phil Wright
Senior Vice President

Williams

Gas Pipeline

Segment Profit

Dollars in millions				
Segment Profit	**$165**	**$133**	**$332**	**$280**
Nonrecurring				
Pension expense reduction[1]	(17)	-	(17)	-
Adjustment to carrying value of certain liabilities[1]	(5)	-	(18)	-
Write-off hydrostatic testing	-	9	-	9
Recurring Segment Profit	**$143**	**$142**	**$297**	**$289**

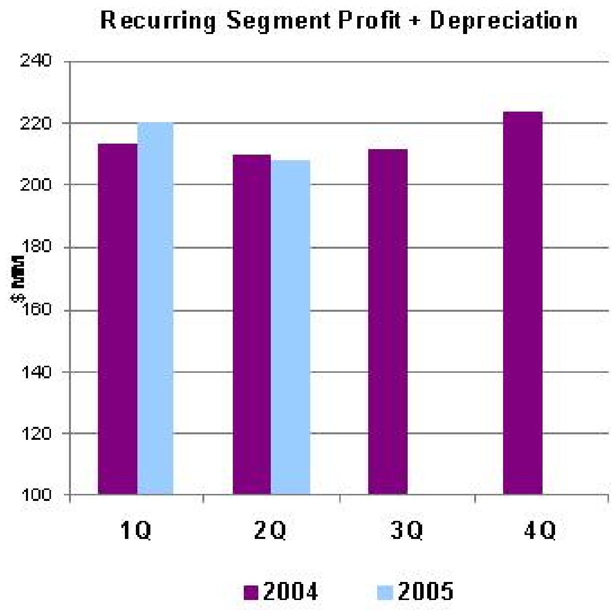
- **2Q04 to 2Q05 financial highlights include:**
  - $3 million – Increased earnings at Gulfstream
  - $(4) million – Grays Harbor contract termination

[1] Prior period items

Gas Pipeline

2nd Quarter and 2005 Accomplishments

- Northwest's 26" Replacement – FERC issues preliminary Order
- Construction began in July for Central New Jersey expansion project
- Gulfstream Phase II began flowing volumes under two new long term firm contracts totaling 400MDt/d
- Transco holds open season for the Potomac Expansion project



2005-2007 Guidance

Dollars in millions	2005	2006	2007
Segment Profit	$590 - 615[1] *555 - 585*	$500 - 565[2]	$585 - 655 *565 - 635*
Annual DD&A	270 - 280 *280 - 290*	290 - 300	300 - 310
Segment Profit + DDA	$860 - 895 *835 - 875*	$790 - 865	$885 - 965 *865 - 945*
Capital Spending	$370 - 420	$600 - 700 *475 - 550*	$250 - 325

[1] *Includes YTD nonrecurring adjustments which increase reported earnings by $35 million*
A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams Web site at www.williams.com.

[2] *Assumes as of 1/1/06 refinancing of $230 million of debt and additional financing of $470 million for Gulfstream ($700 million total) is reflected in these amounts.*
Impact of Pipeline Safety Improvement Act accounting rule not reflected

Note: If guidance has changed, previous guidance from 5/05/05 is shown in italics directly below

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2005-2007 Capital Spending Detail

Dollars in millions	2005	2006	2007
Normal Maintenance/ Compliance	$305 - 335	$310 - 400 *190 - 245*	$180 - 235
NWP 26" Replacement	48	276	2
Expansion	20 - 30	10 - 20	70 - 90
Total	$370 - 420	$600 - 700 *475 - 550*	$250 - 325

Note: Sum of ranges may not add due to rounding

Gas Pipeline

Key Points

- Another strong quarter; operationally and financially
- Strong free cash flow generator
- Increased 2005 guidance due to strong YTD recurring earnings and impacts of prior period items
- Increased 2007 guidance as higher capital expected to be recovered through rates
- Guidance not reflective of impact related to accounting ruling on PSIA
- Continued progress in compliance and reliability projects
- Expansion development opportunities continue

Power

Bill Hobbs
Senior Vice President

Power

Segment Profit

Dollars in millions	2nd Qtr 2005	2nd Qtr 2004	YTD 2005	YTD 2004
Gross Margin (Includes MTM)	$(35)	$72	$105	$71
SG&A	(17)	(20)	(33)	(36)
Operating & Other Inc. / (Expense)	(23)	(8)	(33)	(23)
Segment Profit/(Loss) (Includes MTM)	**$(75)**	**$44**	**$39**	**$12**
MTM Adjustments	**55**	**(59)**	**(53)**	**53**
Segment Profit/(Loss) After MTM Adjustments	**$(20)**	**$(15)**	**$(14)**	**$65**
Segment Profit/(Loss) (Includes MTM)	**$(75)**	**$44**	**$39**	**$12**
Nonrecurring:				
Expense related to prior period	0	0	8	0
Expense related to Settlements and Litigation Contingencies	13	0	17	0
Recurring Segment Profit/(Loss)	**$(62)**	**$44**	**$64**	**$12**
MTM Adjustments	**55**	**(59)**	**(53)**	**53**
Recurring Segment Profit/(Loss) After MTM Adjustments	**$(7)**	**$(15)**	**$11**	**$65**[1]

[1] *Includes impact of legacy natural gas portfolio that liquidated in 1Q04.*

Power

YTD - Segment Profit to Cash Flow

Dollars in Millions	Power & Natural Gas	Other	Total YTD
Gross Margin	$105		$105
SG&A & Other Inc/(Exp)	(66)		(66)
Segment Profit/(Loss)[1]	39	0	39
MTM Adjustments:			
Reverse Forward Unrealized MTM (Gains)	(243)		(243)
Add Realized Gains from MTM previously recognized	190		190
Segment Profit/(Loss) after MTM Adjustments[1]	(14)	0	(14)
Total Working Capital Change		99	99
Power Segment CFFO	(14)	99	85
Est. Working Capital Used for Other BU's		(55)	(55)
Power Segment Standalone CFFO	($14)	$44	$30

[1] Includes YTD nonrecurring adjustments which decrease reported earnings by $25 million. Power Segment Standalone CFFO would be $25 million higher on a recurring basis. A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com.

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Power

2005-2007 Guidance

Dollars in millions	2005	2006	2007
5/05/05 Segment Profit Guidance	($50) - 50	($250) - (100)	($200) - (50)
MTM Earnings (2Q05)	22		
Est. Forward Impact of 2Q05 MTM	4	(20)	(18)
YTD Non-Recurring	(25)	-	-
Total Impact	1	(20)	(18)
Change in Segment Profit Guidance	-	(20)	(20)
Segment Profit Guidance	(50) - 50	(270) - (120)	(220) - (70)
MTM Adjustments	75 *100*	320 *300*	270 *250*
Reported Segment Profit after MTM Adj	25 - 125 *50 - 150*	50 - 200 *Unchanged*	50 - 200
Non-Recurring	25	0	0
Recurring Segment Profit after MTM Adj	50 - 150	50 - 200 *Unchanged*	50 - 200
Cash Flow from Operations	50 - 150	50 - 200 *Unchanged*	50 - 200
Capital Expenditures	-	-	-

Note: If guidance has changed, previous guidance from 5/05/05 is shown in italics directly below

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Power

Cash Flow Analysis

Undiscounted dollars in millions (GAAP Measure)

Combined Power Portfolio *Actual v. Forecast 2Q05*	**Q1'05A**	**Q2'05A**	**Q2'05F**	**YTD05A**	**YTD05F**
Tolling Demand Payment Obligations	($89)	($99)	($98)	($188)	($188)
Resale of Tolling	41	41	33	82	73
Full Requirements	(2)	7	7	5	6
Long-term Physical Forward Power Sales	22	21	23	43	44
OTC Hedges	34	38	29	72	70
Estimated Merchant Cash Flows	15	28	42	43	52
Total Cash Flows	21	36	35	57	58
NG & Other Commodity	11	(16)	(15)	(5)	0
SG&A and Other	(26)	(40)	(18)	(66)	(36)
Working Capital & Other	42	57	(35)	98	22
Estimated Cash Flows	48	37	(34)	85	45
Est. Working Capital Used for Other BU's	13	(68)	0	(55)	0
Power Standalone Cash Flows	$61	($31)	($34)	$30	$45

Note: 2Q05 forecast estimated as of 12/30/04. 2Q05 actual cash flows agree in total with Power's Cash Flow Statement; however the allocation of actual cash flows to the various deal types is based on estimates. The YTD05 forecasted "Merchant Cash Flows" represents both the "Estimated Hedged Tolling Revenues" and "Merchant Cash Flows" in the forecast.

Note: Sum of ranges for each business line does not necessarily match total range.

Power

Key Points

- Recurring results on target
- CFFO YTD positive and on target
- Seasonal cash flows – 3rd quarter is historically best quarter for merchant power
- Full year recurring segment profit guidance remains unchanged
- Deal flow is increasing
- Application of FAS133 reduces 2Q05 earnings volatility
- Market outlook for 2006-2007 improving

2005-2007
Consolidated Outlook

Don Chappel
CFO

Williams

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2005 Forecast Guidance

Dollars in millions, except per-share amounts	**Aug 4 Guidance**	**May 5 Guidance**
Segment profit before MTM adjustment	**$1,300 - $1,585**	$1,275 - $1,575
Net Interest Expense	(650) - (670)	(630) - (665)
Other (Primarily General Corp. Costs)	(70) - (100)	(80) - (110)
Pretax Income	580 - 815	565 - 800
Provision for Income Tax	(220) - (335)	(235) - (320)
Income from Continuing Ops	360 - 480	330 - 480
Income/(Loss) from Discontinued Ops	(10) - 0	(10) - 0
Net Income	**$350 - 480**	$320 - 480
Diluted EPS	**$0.58 - $0.79**	$0.53 - $0.80
Recurring Income from Cont. Ops	**$377 - $497**	$326 - $476
Diluted EPS – Recurring	**$0.62 - $0.82**	$0.54 - $0.80
Diluted EPS- Recurring After MTM Adjustments[1]	**$0.70 - $0.90**	$0.65 - $0.90

[1] *Includes MTM adjustment of $75 million (pretax) in Aug 4 guidance and $100 million (pretax) in May 5 guidance*

Note: Fully diluted shares of 605 million used in Aug 4 guidance and 599 million used in May 5 guidance

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2005-2007 Segment Profit - Reported

Dollars in millions	2005[1]	2006	2007
Exploration & Production	$410 - 485 *400 - 475*	$520 - 595 *480 - 555*	$595 - 720 *550 - 675*
Midstream	400 - 470 *370 - 450*	400 - 500	400 - 520
Gas Pipeline	590 - 615 *555 - 585*	500 - 565	585 - 655 *565 - 635*
Power	(50) - 50	(270) - (120) *(250) - (100)*	(220) - (70) *(200) - (50)*
Other/Corp.	(50) - (35)[2] *0 - 15*	45 - (45)	10 - (30)
Total	**$1,300 - 1,585** *1,275 - 1,575*	**$1,195 - 1,495** *1,175 - 1,475*	**$1,370 - 1,795** *1,325 - 1,750*
MTM Adjustment	75 *100*	320 *300*	270 *250*
Total After MTM Adj.	**$1,375 - 1,660** *1,675*	**$1,515 - 1,815** *1,475 - 1,775*	**$1,640 - 2,065** *1,575 - 2,000*

Note: If guidance has changed, previous guidance from 5/5/05 is shown in italics directly below
[1] Includes YTD nonrecurring adjustments which decrease reported earnings by $35 million
[2] Includes effects of impairments of $53 million

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2005 Segment Profit - Recurring

Dollars in millions	Reported	YTD Non-Recurring	Recurring
Exploration & Production	$410 - 485	($8)	$402 - 477
Midstream	400 - 470	-	400 - 470
Gas Pipeline	590 - 615	(35)	555 - 580
Power	(50) - 50	25	(25) - 75
Other/Corp.	(50) - (35)	53	3 - 18
Total	**$1,300 - 1,585**	**$35**	**$1,335 - 1,620**
MTM Adjustment	75	-	75
Total After MTM Adj.	**$1,375 - 1,660**	**$35**	**$1,410 - 1,695**
Power After MTM Adj.	$25 - 125	$25	$50 - 150

Note: Sum of ranges for each business line does not necessarily match total range.

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2005-2007 Capital Expenditures

Dollars in millions	2005	2006	2007
Exploration & Prod.	**$605 - 680** *530 - 605*	**$760 - 860** *725 - 825*	**$735 - 885** *725 - 875*
Midstream	**120 - 140**	**110 - 130**	**100 - 130**
Gas Pipeline	**370 - 420**	**600 - 700** *475 - 550*	**250 - 325**
Power	-	-	-
Other/Corporate	**10 - 30**	**10 - 30**	**10 - 30**
Total	**$1,100 - 1,300** *1,025 - 1,225*	**$1,525 - 1,750** *1,350 - 1,550*	**$1,100 - 1,300**

Notes:

- Sum of ranges for each business line does not necessarily match total range

- If guidance has changed, previous guidance from 5/5/05 is shown in italics directly below

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2005-2007 Outlook

Dollars in millions	2005	2006	2007
Segment Profit[1]			
Reported Seg. Profit	$1,300 - 1,585 *1,275 - 1,575*	$1,195 - 1,495 *1,175 - 1,475*	$1,370 - 1,795 *1,325 - 1,750*
MTM Adjustment	75 *100*	320 *300*	270 *250*
After MTM Adjust.	$1,375 - 1,660 *1,675*	$1,515 - 1,815 *1,475 - 1,775*	$1,640 - 2,065 *1,575 - 2,000*
DD&A	700 - 775	770 - 870 *750 - 850*	840 - 940 *800 - 900*
Cash Flow from Ops.	1,150 - 1,450 *1,300 - 1,600*	1,550 - 1,850 *1,450 - 1,750*	1,650 - 1,950 *1,600 - 1,900*
Capital Expenditures	1,100 - 1,300 *1,025 - 1,225*	1,525 - 1,750 *1,350 - 1,550*	1,100 - 1,300
Operating Free Cash Flow[2]	50 - 150 *275 - 375*	25 - 100 *100 - 200*	550 - 650 *500 - 600*

[1] *Includes non-recurring adjustments of $35 million*

[2] *Operating free cash flow is defined as cash flow from operations less capital expenditures, before dividend or principal payments*

Note: If guidance has changed, previous guidance from 5/5/05 is shown in italics directly below

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2005-2007 Guidance Reconciliation

Dollars in millions	2005	2006	2007
Capital Expenditures			
May 5 Guidance	$1,025 - 1,225	$1,350 - 1,550	$1,100 - 1,300
E&P: Ft. Worth Basin Entry / Drilling	75	35	-
Gas Pipes: New 2006 Projects	-	125 - 150	-
Other Misc / Rounding	-	15	-
Aug. 4 Guidance	$1,100 - 1,300	$1,525 - 1,750	$1,100 - 1,300
Segment Profit [1]			
May 5 Guidance - Reported	$1,375 - 1,675	$1,475 - 1,775	$1,575 - 2,000
E&P: Ft. Worth Basin Entry / Drilling	5	20	20
Hedge Collars	5	20	25
Midstream: Margins	30 - 20	-	-
Gas Pipes: New 2006 Projects	-	-	20
2 Q Nonrecurring Items	(44)	-	-
Other Misc / Rounding	4 - (1)	-	-
Aug. 4 Guidance - Reported	$1,375 - 1,660	$1,515 - 1,815	$1,640 - 2,065

[1] Segment Profit After MTM Adjustment

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2005-2007 Guidance Reconciliation

Dollars in millions	2005	2006	2007
Cash Flow from Operations (CFFO):			
May 5 Guidance	$1,300 - 1,600	$1,450 - 1,750	$1,600 - 1,900
Tax Settlement	(180) - (200)	20	25
Reclassification to "Investing"[1]	(88)	-	-
E&P Segment Profit Increase	10	40	45
Midstream Segment Profit Increase	30-20	-	-
Other Increases - net	78 - 108	40	(20)
Aug. 4 Guidance	$1,150 - 1,450	$1,550 - 1,850	$1,650 - 1,950

[1] Contract termination payment previously included in CFFO

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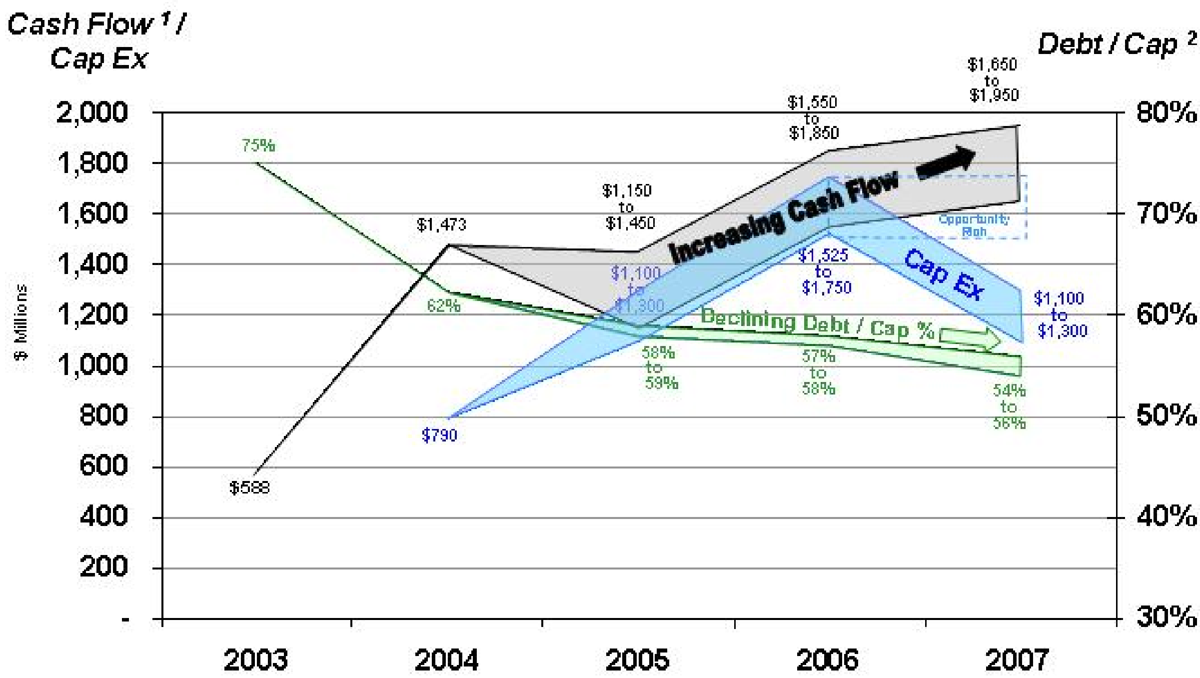
Strong Operating Cash Flow Growth & Increasing Investment Opportunities . . .



[1] Cash Flow from Continuing Operations (CFFO)

[2] Debt to Capitalization = Total Debt / (Total Debt + Equity)

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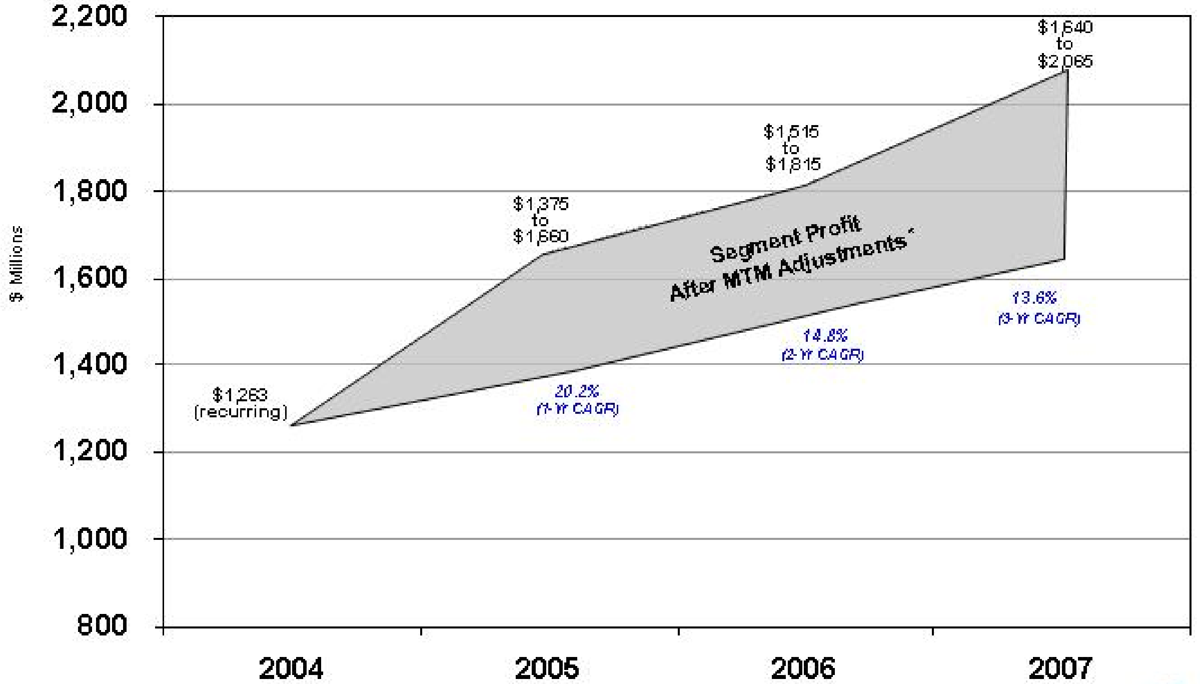
Segment Profit Guidance Trend



* Includes MTM adjustments of ($118) in 2004, $75 in 2005, $320 in 2006, and $270 in 2007

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Financial Strategy/Key Points

- Drive/enable sustainable growth in EVA®/shareholder value
- Maintain a cash/liquidity cushion of $1.0 billion plus
- Continue to steadily improve credit ratios/ratings; ultimately achieving investment grade ratios
- Reduce risk in Power segment
- Opportunity rich
  - Increasing focus and disciplined EVA®-based investments in natural gas businesses
  - Attractive EVA-adding opportunities may require new capital
  - If new capital is needed, choose optimal sources of capital
  - Combination of growth in operating cash flows and EVA drives value creation

Summary

Steve Malcolm
Chairman, President & CEO

Williams

Key Points

- Hitting on all cylinders
  - Business segment performance
  - Consolidated earnings
  - Cash from operations
- Growth opportunities growing
- Growth activity moving key performance measures up
- Seizing rich opportunities to grow shareholder value

Q&A

Non-GAAP Reconciliations

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Non-GAAP Disclaimer

This presentation includes certain financial measures, EBITDA, recurring earnings, free cash flow and recurring segment profit, that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. EBITDA represents the sum of net income (loss), net interest expense, income taxes, depreciation and amortization of intangible assets, less income (loss) from discontinued operations. Recurring earnings and recurring segment profit provide investors meaningful insight into the Company's results from ongoing operations. This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are widely accepted financial indicators used by investors to compare company performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of the Company's assets and the cash that the business is generating. Neither EBITDA nor recurring earnings and recurring segment profit are intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

Certain financial information in this presentation is also shown including Power mark-to-market adjustments. This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Previously the Company did not qualify for hedge accounting with respect to its Power segment as a result of the Company's stated intent to exit the Power business. The Company ceased efforts to market the sale of Power during the third quarter 2004, and now qualifies for hedge accounting. Hedge accounting reduces earnings volatility associated with Power's portfolio of certain derivative hedging instruments. Prior to the adoption of hedge accounting, these derivative hedging instruments were accounted for on a mark-to-market basis with the change in fair value recognized in earnings each period. Management uses the mark-to-market adjustments to better reflect Power's results on a basis that is more consistent with Power's portfolio cash flows and to aid investor understanding. The adjustments reverse forward unrealized mark-to-market gains or losses from derivatives and add realized gains or losses from derivatives for which mark-to-market income has been previously recognized, with the effect that the resulting adjusted segment profit is presented as if mark-to-market accounting had never been applied to designated hedges or other derivatives. The measure is limited by the fact that it does not reflect potential unrealized future losses or gains on derivative contracts. However, management compensates for this limitation since reported earnings do reflect unrealized gains and losses of derivative contracts. Overall, management believes the mark-to-market adjustments provide an alternative measure that more closely matches realized cash flows for the Power segment.

Non-GAAP Reconciliation

Non-GAAP Reconciliation Schedule

Non-GAAP Reconciliation Schedule

Reconciliation of Segment Profit (Loss) to Recurring Segment Profit (Loss)

(UNAUDITED)

(Dollars in millions)	2004 1st Qtr	2004 2nd Qtr	2004 3rd Qtr	2004 4th Qtr	2004 Year	2005 1st Qtr	2005 2nd Qtr	2005 Year
Segment profit (loss):								
Power [1]	$ (32.0)	$ 43.8	$ 109.3	$ (44.4)	$ 76.7	$ 114.1	$ (75.0)	$ 39.1
Gas Pipeline	147.4	132.8	148.8	156.8	585.8	167.4	164.5	331.9
Exploration & Production	51.5	43.3	70.1	70.9	235.8	103.7	118.3	222.0
Midstream Gas & Liquids	110.1	98.5	105.4	235.7	549.7	128.6	109.1	237.7
Other	(8.7)	(14.3)	2.4	(21.0)	(41.6)	(4.1)	(60.5)	(64.6)
Total segment profit	$ 268.3	$ 304.1	$ 436.0	$ 398.0	$ 1,406.4	$ 509.7	$ 256.4	$ 766.1
Nonrecurring adjustments:								
Power	$ -	$ -	$ -	$ -	$ -	$ 11.4	$ 13.1	$ 24.5
Gas Pipeline	-	9.0	-	-	9.0	(13.1)	(21.7)	(34.8)
Exploration & Production	-	11.3	-	4.1	15.4	(7.6)	-	(7.6)
Midstream Gas & Liquids	-	(16.5)	22.9	(85.0)	(78.6)	-	-	-
Other	6.5	10.8	-	11.8	29.1	-	53.1	53.1
Total segment nonrecurring adjustments	$ 6.5	$ 14.6	$ 22.9	$ (69.1)	$ (25.1)	$ (9.3)	$ 44.5	$ 35.2
Recurring segment profit (loss):								
Power	$ (32.0)	$ 43.8	$ 109.3	$ (44.4)	$ 76.7	$ 125.5	$ (61.9)	$ 63.6
Gas Pipeline	147.4	141.8	148.8	156.8	594.8	154.3	142.8	297.1
Exploration & Production	51.5	54.6	70.1	75.0	251.2	96.1	118.3	214.4
Midstream Gas & Liquids	110.1	82.0	128.3	150.7	471.1	128.6	109.1	237.7
Other	(2.2)	(3.5)	2.4	(9.2)	(12.5)	(4.1)	(7.4)	(11.5)
Total recurring segment profit	$ 274.8	$ 318.7	$ 458.9	$ 328.9	$ 1,381.3	$ 500.4	$ 300.9	$ 801.3

Note: Segment profit (loss) includes equity earnings (loss) and certain income (loss) from investments reported in Investing income (loss) in the Consolidated Statement of Operations. Equity earnings (loss) results from investments accounted for under the equity method. Income (loss) from investments results from the management of investments in certain equity investments.

[1] Power's segment profit for 2004 includes the effect of intercompany interest rate swaps entered into with the corporate parent.

Non-GAAP Reconciliation Schedule

Adjustment to remove MTM impact

Dollars in millions except for per share amounts

	2005 1Q	2005 2Q	2005 3Q	2005 4Q	2005 Year	2004 1Q	2004 2Q	2004 3Q	2004 4Q	2004 Year
Recurring income from cont. ops available to common shareholders	$ 198	$ 66			$ 264	$ 4	$ 54	$ 135	$ 78	$ 281
Recurring diluted earnings per common share	$ 0.33	$ 0.10			$ 0.44	$ 0.01	$ 0.10	$ 0.26	$ 0.12	$ 0.49
Mark-to-Market (MTM) adjustments:										
Reverse forward unrealized MTM gains/losses	(221)	(22)			(243)	(24)	(70)	(187)	(23)	(304)
Add realized gains/losses from MTM previously recognized	113	77			190	136	11	45	(6)	186
Total MTM adjustments	(108)	55			(53)	112	(59)	(142)	(29)	(118)
Tax effect of total MTM adjustments (at 39%)	(42)	21			(21)	44	(23)	(55)	(11)	(46)
After tax MTM adjustments	(66)	34			(32)	68	(36)	(87)	(17)	(72)
Recurring income from cont. ops available to common shareholders after MTM adjust.	$ 132	$ 100			$ 232	$ 72	$ 18	$ 48	$ 61	$ 189
Recurring diluted earnings per share after MTM adj.	$ 0.22	$ 0.17			$ 0.38	$ 0.14	$ 0.04	$ 0.09	$ 0.09	$ 0.36
weighted average shares - diluted (thousands)	599,422	578,902			602,966	519,485	521,898	529,525	586,497	535,611

Adjustments have been made to reverse estimated forward unrealized MTM gains/losses and add estimated realized gains/losses from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.

Non-GAAP Reconciliation

EBITDA Reconciliation

Dollars in millions	2Q05	YTD
Net Income	**$41**	**$242**
(Income) Loss from Disc. Operations	(1)	1
Net Interest Expense	163	327
DD&A	178	356
Provision for Income Taxes	42	171
EBITDA	**$423**	**$1,097**

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Non-GAAP Reconciliation

2Q 2005 Segment Contribution

Dollars in millions

	Gas Pipeline	E&P	Midstream	Power	Corp/Other	Total
Segment Profit (Loss)	$165	$118	$109	$(75)	($61)	**$256**
DD&A	66	59	46	4	3	**178**
Segment Profit before DDA	**$231**	**$177**	**$155**	**$(71)**	**($58)**	**$434**
General Corporate Expense						**(36)**
Investing Income*						**21**
Other Income						**4**
TOTAL						**$423**

** Excluding equity earnings and income (loss) from investments contained in segment profit*

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2005 Forecast EBITDA Reconciliation

Dollars in millions	Aug 4 Guidance	May 5 Guidance
Net Income	**$350 - 480**	**$320 - 480**
(Income) Loss from Disc. Ops.	10 - 0	10 - 0
Net Interest	650 - 670	630 - 665
DD&A	700 - 775	700 - 775
Provision for Income Taxes	220 - 335	235 - 320
Other/Rounding	-	(20) - (15)
EBITDA – Reported	**$1,930 - 2,260**	**$1,875 - 2,225**
MTM Adjustments	75	100
EBITDA – **Reported after MTM Adj.**	**$2,005 - 2,335**	**$1,975 - 2,325**

Non-GAAP Reconciliation

2005 Forecast Segment Contribution

Dollars in millions	E&P	Midstream	Gas Pipeline	Power [1]	Corp/ Other	Total *
Segment Profit (Loss)	$410 - 485	$400 - 470	$590 - 615	$(50) - 50	$(50) - (35)	$1,300 - 1,585
DD&A	235 - 265	180 - 190	270 - 280	10 - 20	5 - 20	700 - 775
Segment Profit before DDA	$645 - 750	$580 - 660	$860 - 895	$(40) - 70	$(45) - (15)	$2,000 - 2,360
Other (Primarily General Corporate Expense & Investing Income)						(70) - (100)
TOTAL REPORTED						$1,930 - 2,260

[1] *Segment Profit is on a reported basis and prior to MTM adjustments*

Non-GAAP Reconciliation

2005 Forecast Guidance Reconciliation

Dollars in millions, except per-share amounts	Aug 4 Guidance	May 5 Guidance
Net Income	**$350 - 480**	**$320 - 480**
Discontinued Operations	10 - 0	10 - 0
Income from Continuing Ops	**$360 - 480**	**$330 - 480**
Non-Recurring Items (Pretax)	23	(7)
Less Taxes @ Approx. 39%	(6)	3
Non-Recurring After Tax	17	(4)
Recurring Income from Cont. Ops	**$377 - 497**	**$326 - 476**
Recurring EPS	**$0.62 - $0.82**	**$0.54 - $0.80**
Mark-to-Market Adjustment (Pretax)	75	100
Less Taxes @ 39%	(29)	(39)
Mark-to-Market Adjust. After Tax	46	61
Inc. from Cont. Ops after MTM Adj.	**$423 - 543**	**$387 - 537**
Inc. from Cont. Ops after MTM Adj. EPS	**$0.70 - $0.90**	**$0.65 - $0.90**

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EPS Metrics

2005	1Q	2Q	3Q	4Q	Total
EPS	$0.34	$0.07	-	-	$0.41
Recurring EPS	0.33	0.11	-	-	0.45
Rec. EPS after MTM Adj.	**0.22**	**0.17**	**-**	**-**	**0.39**
Average Shares (MM)	599	579	-	-	603

2004	1Q	2Q	3Q	4Q	Total
EPS	$0.02	($0.03)	$0.19	$0.13	$0.31
Recurring EPS	0.01	0.10	0.26	0.12	0.49
Rec. EPS after MTM Adj.	**0.14**	**0.03**	**0.09**	**0.09**	**0.35**
Average Shares (MM)	519	522	530	586	536

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2005 Interest Expense Guidance

Dollars in millions	**2005**
Interest on Long-Term Debt	$575 - 585
Amortization Discount/Premium and other Debt Expense	25
Credit Facilities: (incl. Commitment Fees plus LC Usage)	32 - 40
Interest on other Liabilities	23 - 30
Interest Expense	$655 - 680
Less: Capitalized Interest	(5) - (10)
Net Interest Expense Guidance	**$650 - 670**

Drivers

Dollars in millions

(Based on Guidance Midpoints)	Segment Profit	CFFO
2004	1,381[1]	1,473
Interest Savings	-	245
Tax Settlement	-	(200)
2005 Longhorn Impairment	(50)	-
Gas Pipes - Lower Grays Harbor	(15)	(18)
- 2005 Non Recurring Items	41	-
- Remove 2004 One Time Gains	(9)	
- Remove 2004 DD&A Adjust.	10	
- Gulfstream Higher Firm Transportation	16	-
Midstream - Lower NGL Margins	(40)	-
- Deepwater Increase	-	40
Changes in Power [2]	(75)	100
Margins / Adequacy Assurances	-	(565)
E&P - Price Changes	115	115
- Volume Increases	100	125
Other	(32)	(15)
2005	1,443	1,300
Interest Savings	-	5
Tax Settlement	-	200
2005 Longhorn Impairment	50	-
Gas Pipes - Remove 2005 Non Recurring Items	(41)	-
- Higher Costs	(30)	-
Changes in Power	(195)	25
Midstream - NGL Margins	(30)	-
- Deepwater Increase	80	35
E&P - Price Changes	(25)	(25)
- Volume Increases	135	155
Other	(42)	5
2006	1,345	1,700
Interest Savings	-	5
Changes in Power	50	-
Increase in Gas Pipes	106	111
Midstream - Deepwater Increase	15	15
E&P - Price Changes	(50)	(50)
- Volume Increases	150	170
Other	(34)	(151)
2007	1,583	1,800

[1] Recurring

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2005-2007 Maintenance vs. Growth Capital

Dollars in millions	2005	2006	2007
Explor. & Prod.			
Growth	$415 - 470	$550 - 630	$505 - 635
Maintenance	190 - 210	210 - 230	230 - 250
Total	$605 - 680	$760 - 860	$ 735 - 885
Midstream			
Growth	60 - 75	60 - 75	50 - 70
Maintenance	60 - 65	50 - 55	50 - 60
Total	$120 - 140	$110 - 130	$100 - 130
Gas Pipeline			
Growth	20 - 30	10 - 20	70 - 90
Maintenance	350 - 390	590 - 680	180 - 235
Total	$370 - 420	$600 - 700	$250 - 325
Power	-	-	-
Other/Corp - Maint.	$10 - 30	$10 - 30	$10 - 30
Total:			
Growth	495 - 575	620 - 725	625 - 795
Maintenance	610 - 695	860 - 995	470 - 575
Total	$1,100 - 1,300	$1,525 - 1,750	$1,100 - 1,300

Note: Sum of ranges for each business line does not necessarily match total range

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2005 Effective Tax Rates

Dollars in millions

Continuing Operations[3]

First Quarter 2005		
Federal	115	35%
State	14	4%
Foreign	(5)	-2%
Other	5	2%
Tax Provision	$ 129	39%
Second Quarter 2005		
Federal	29	35%
State	1	3%
Foreign	5	6%
Other	7	7%
Tax Provision	$ 42	51%
Year-to-Date 2005		
Federal	145	35%
State	16	4%
Foreign	0	0%
Other	10	2%
Tax Provision	$ 171	41%

	2005	2006	2007
Effective Tax Rate Guidance[1]	See Above	39%	39%
Cash Tax Rate Guidance[2]	3-5%	4-8%	5-10%

Note 1: An additional $25 million income tax expense is forecast in 2006 & 2007.

Note 2: We have reached preliminary settlement with the Internal Revenue Service relating to an outstanding tax issue associated with prior years. As a result of the preliminary settlement, we expect to make a payment totaling approximately $180-$200 million in the last half of 2005, all of which is accrued at June 30, 2005. The expected settlement is subject to the approval of the Joint Committee on Taxation.

Note 3: Discontinued operations in 2005 have less than $1 million tax impact.

Exploration & Production

2Q 2005 Net Realized Price Calculation

	Unhedged	2Q05 Hedge
Market Price:		
NYMEX including collars	$6.60 - $6.80	$4.60
Basis Differential	(0.50 - 0.70)	(0.48)
Net basin market price	**$5.90 - $6.30**	**$4.12**
Fuel & Shrinkage/Gathering/ Transportation	(0.80 - 1.00)	(0.80 - 1.00)
Net Price	**$4.90 - $5.50**	**$3.12 - $3.32**
Quarter Volume Totals	(qtr daily volumes -qtr daily hedged -volumes) x (91/1000)	(qtr daily hedge volumes) x (91/1000)
Net Gas Revenue	=(unhedged volumes x net price)	=(hedged volumes x net hedge price)

2005 Price Modeling

	Unhedged	2005 Hedge
Market Price:		
NYMEX	$6.10 - $6.50	$4.48
Basis Differential	(0.50 - 0.70)	(0.45)
Net basin market price	**$5.40 - $6.00**	**$4.03**
Fuel & Shrinkage/Gathering/ Transportation	(0.80 - 1.00)	(0.80 - 1.00)
Net Price	**$4.40 - $5.20**	**$3.03 - $3.23**
Year Volume Totals (Bcfe)	(total daily vols - daily hedge vols) x (183/1000)	(daily hedge volumes) x (183/1000)
Net Gas Revenue	=(unhedged volumes x net price)	=(hedged volumes x net hedge price)

2^{nd} Half 2005

	2005	2006	2007
Unhedged Price (NYMEX)	$6.34	$5.96	$5.75

Note: Economic impact of hedges may be different from the volume hedged due primarily to fuel and shrink and direct taxes

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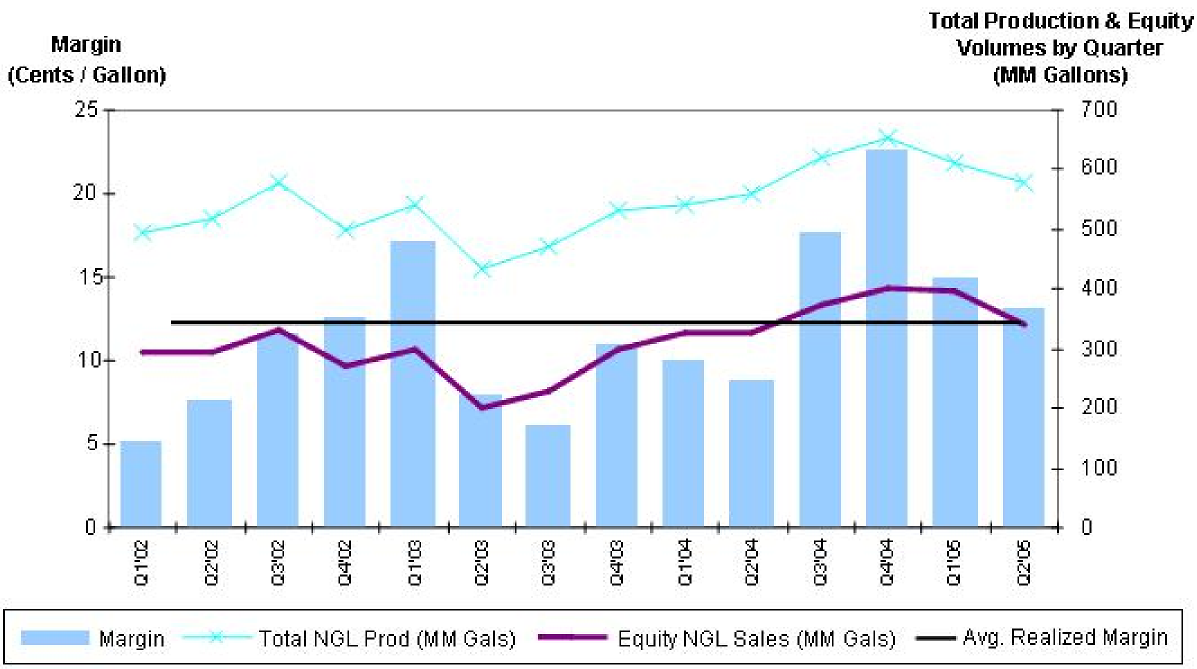
Midstream

Margins Above Average

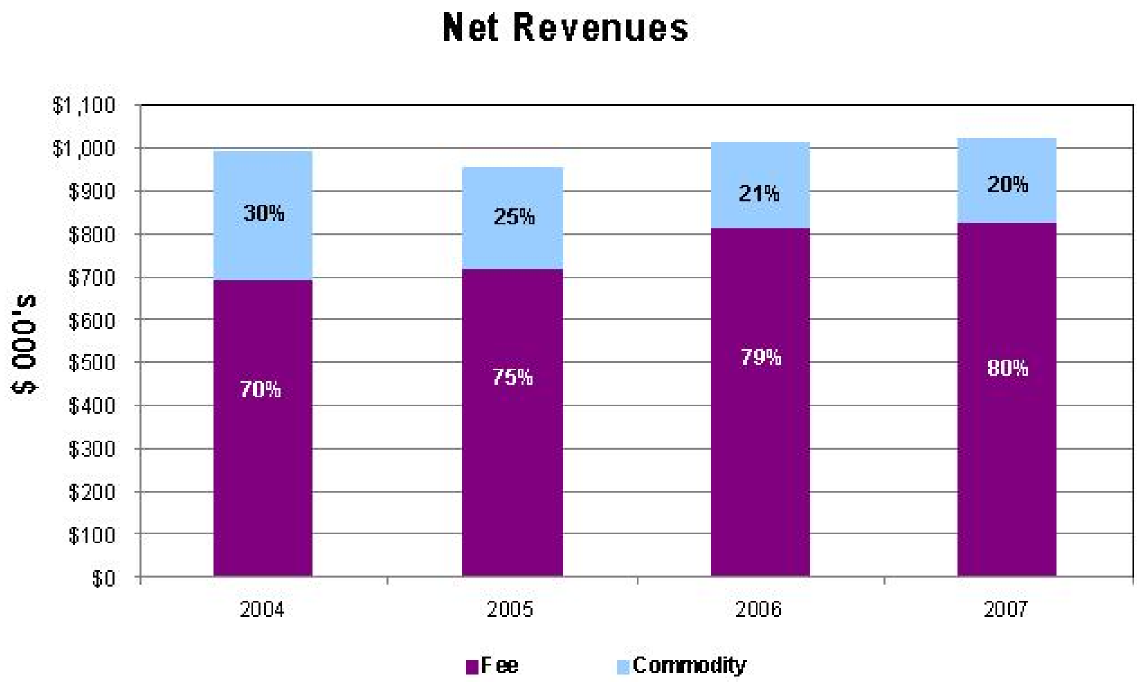
Domestic NGL Average Realized Net Margin and Volumes by Quarter



Note: Based on actual realized prices, contractual obligations, shrink, fuel, actual equity liquids percentages, etc. Average Realized Margin shown for 2000-2004.

Midstream

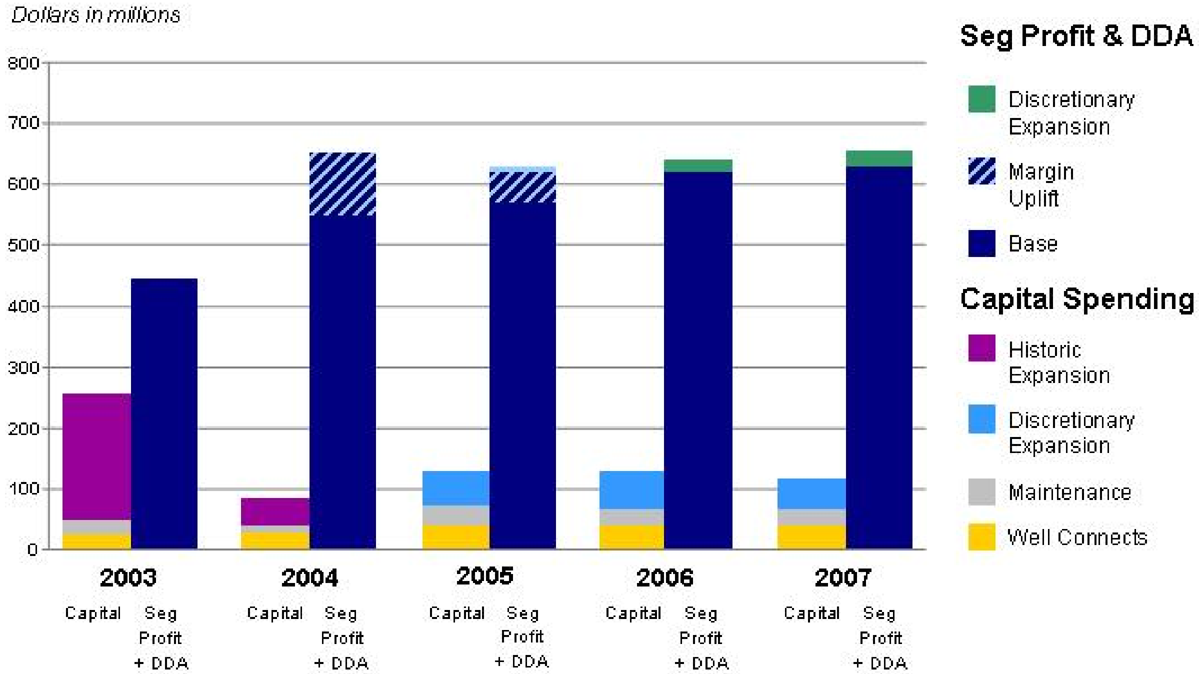
Fee-Based Bedrock of Earnings



Note: Total revenues less cost of goods sold. Reflects 5 year average (Jan '00-Dec '04) margins in 2006-2007 at mid-point of range.

Midstream

Strong Free Cash Flow



Note:
- *Segment Profit is stated on a recurring basis. Segment Profit for 2003 & 2004 has been restated to reflect reclassifications*
- *Segment Profit + DDA and Capital Spending reflect midpoint of ranges.*
- *Margin uplift represents actual realized margin in excess of forecasted average margin.*

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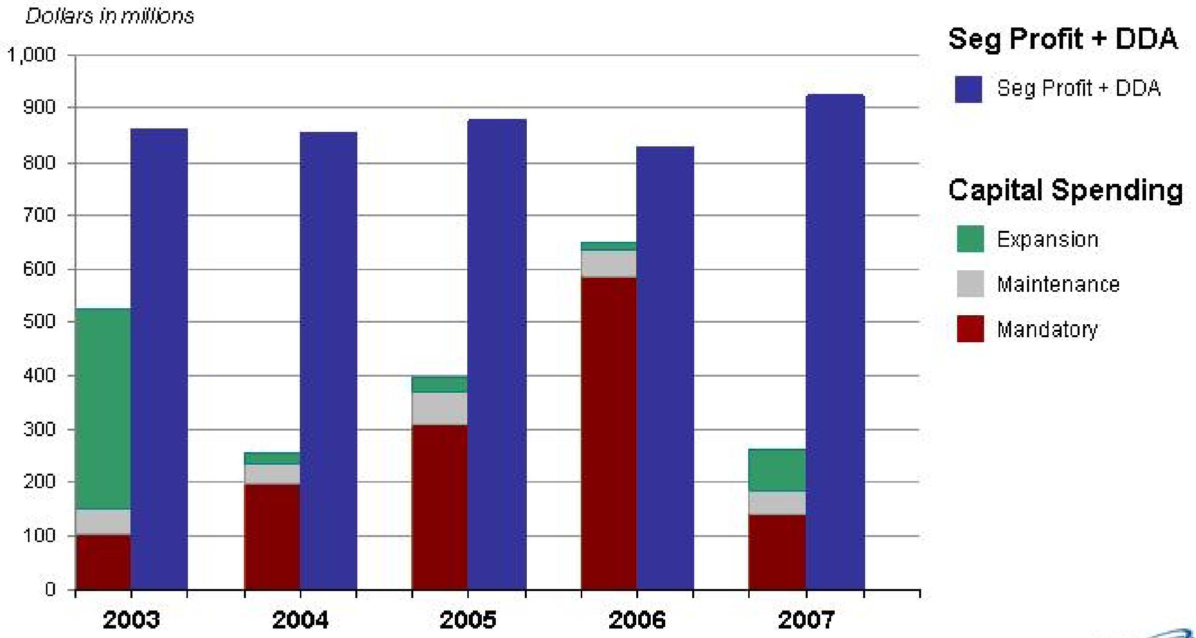
Gas Pipeline

Strong Free Cash Flow



Note:
- Segment Profit is stated on a recurring basis.
- Segment Profit + DDA and Capital Spending reflect midpoint of ranges for 2005 - 2007.

WMB Collateral Outstanding

As of 6/30/05

Dollars in millions	E&P	Midstream	Power	Corp./ Other	Total
Margins & Ad. Assur.	$6	-	$53	-	$59
Prepayments	-	1	34	-	35
Subtotal	**$6**	**$1**	**$87**	**-**	**$94**
Letters of Credit	469	183	270	92	1,013
Total as of 6/30/05	**$475**	**$184**	**$357**	**$92**	**$1,107**
Total as of 3/31/05*	**$566**	**$169**	**$311**	**$90**	**$1,136**
Change	**($91)**	**$15**	**$46**	**$2**	**($29)**

**Note: The allocation of LC's between business units as of 3/31 has been adjusted from that previously reported. Total 3/31/05 LC's reported is unchanged.*

WMB Collateral Sensitivity

Dollars in millions

- Margin volatility (1% chance of exceeding)
  - Potential incremental collateral requirement

	6/30/05	3/31/05
– 30 days	($178)	($124)
– 180 days	($458)	($328)
– 360 days	($351)	($341)

Assumption: The margin numbers above consist of only the forward marginable position values, starting from August 2005.

EXHIBIT 99.3

NewsRelease

Williams

NYSE: WMB

Date: Aug. 4, 2005

Williams Increases Total Estimated Domestic Reserves by 21 Percent

Growth Comes From an Increase in Piceance Basin Drilling Locations

TULSA, Okla. — Williams (NYSE:WMB) announced today that is has increased the company's total proved, probable and possible domestic reserves to an estimated 8.5 trillion cubic feet equivalent (Tcfe) — an increase of 21 percent from the previous estimate of 7 Tcfe.

The increase in estimated reserves is based on results from a review of Williams' assets in the Piceance Basin. Williams considers the Piceance as its cornerstone property for production growth.

"We are actively developing our reserves base, which continues to grow primarily through the drill bit," said Steve Malcolm, chairman, president and chief executive officer. "As we've said, the experience and expertise we've established in our core basins enhances our ability to capture existing and new opportunities for reserves additions."

During the second quarter, Williams conducted an internal review of potential well sites in the Piceance Basin of western Colorado.

The company examined topography, recent drilling results, current economic conditions and geological data in light of the upcoming deployment of 10 new FlexRig4® drilling rigs from Helmerich & Payne. Williams expects to receive one new rig per month, beginning in November.

The rigs are designed to drill up to 22 wells — in an underground spoke formation — from a single surface location that is half the size of traditional drilling sites. This should dramatically reduce both the number and the size of surface locations needed to drill wells.

Williams now projects as many as 4,600 drilling locations in the Piceance — an increase of approximately 50 percent compared with previous estimates of 3,000 locations.

The 4,600 drilling locations are for operations solely in the valley area of the Piceance. The new estimate excludes potential locations from other company projects in the Piceance Basin such as Trail Ridge, Ryan Gulch and Red Point.

Based on this data, Williams raised its estimate of total probable and possible domestic reserves from 4 Tcfe to 5.5 Tcfe.

Coupled with the company's year-end 2004 proved U.S. reserves of 3 Tcfe, Williams now has total proved, probable and possible domestic reserves of an estimated 8.5 Tcfe.

About Williams (NYSE:WMB)
Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, Southern California and Eastern Seaboard. More information is available at www.williams.com.

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Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

In regard to the company's reserves in Exploration & Production, the SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves. We have used certain terms in this news release, such as "probable" reserves and "possible" reserves and "new opportunities potential" reserves that the SEC's guidelines strictly prohibit us from including in filings with the SEC. The SEC defines proved reserves as estimated quantities that geological and engineering data demonstrate with reasonable certainty to be recoverable in the future from known reservoirs under the assumed economic conditions. Probable and possible reserves are estimates of potential reserves that are made using accepted geological and engineering analytical techniques, but which are estimated with reduced levels of certainty than for proved reserves. Possible reserve estimates are less certain than those for probable reserves. New opportunities potential is an estimate of reserves for new areas for which we do not have sufficient information to date to raise the reserves to either the probable category or the possible category. New opportunities potential estimates are even less certain that those for possible reserves.
Reference to "total resource portfolio" include proved, probable and possible reserves as well as new opportunities potential. Investors are urged to closely consider the disclosures and risk factors in our Forms 10-K and 10-Q, available from our offices or from our website at www.williams.com.