AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 5, 2002

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE WILLIAMS COMPANIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	4922	73-0569878
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

ONE WILLIAMS CENTER TULSA, OKLAHOMA 74172 (918) 573-2000 (Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)	WILLIAM G. VON GLAHN, ESQ. ONE WILLIAMS CENTER TULSA, OKLAHOMA 74172 (918) 573-2000 (Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

COPIES TO:

MARLENE ALVA, ESQ. DAVIS POLK & WARDWELL 450 LEXINGTON AVENUE NEW YORK, NEW YORK 10017 (212) 450-4000	JOHN W. OSBORN, ESQ. PHYLLIS G. KORFF, ESQ. SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP FOUR TIMES SQUARE NEW YORK, NEW YORK 10036 (212) 735-3000 (212) 735-2000 (FAX)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable following the effectiveness of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
8.125% Notes due March 15, 2012.....	$650,000,000	100%	$650,000,000	$59,800
8.750% Notes due March 15, 2032.....	$850,000,000	100%	$850,000,000	$78,200
Total.....	$1,500,000,000		$1,500,000,000	$138,000

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

- ---
- ---

THE INFORMATION CONTAINED IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT EXCHANGE THE OUTSTANDING SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE NEW SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THE NEW SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED APRIL 4, 2002.

THE WILLIAMS COMPANIES, INC.
OFFER TO EXCHANGE
8.125% NOTES DUE MARCH 15, 2012,
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

FOR ANY AND ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012

AND

8.750% NOTES DUE MARCH 15, 2032,
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

FOR ANY AND ALL OUTSTANDING
8.750% NOTES DUE MARCH 15, 2032

THE NEW SECURITIES ISSUED BY WILLIAMS:

- The terms of the new 8.125% notes and the new 8.750% notes are substantially the same in all material respects as the terms of the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding 8.125% notes and the outstanding 8.750% notes do not apply to the new 8.125% notes and the new 8.750% notes.

THE EXCHANGE OFFER:

- Expiration: 5:00 p.m., New York City time, on [ ], 2002, unless we extend the expiration date.

- Conditions: The exchange offer is not conditioned upon any aggregate principal amount of outstanding 8.125% notes or outstanding 8.750% notes being tendered.

- Tendered Securities: All outstanding 8.125% notes and outstanding 8.750% notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of new 8.125% notes or new 8.750% notes that are registered under the Securities Act of 1933. If you fail to tender your outstanding 8.125% notes and outstanding 8.750% notes, you will continue to hold unregistered securities, and your ability to transfer them could be adversely affected.

- Withdrawal: Tenders of outstanding 8.125% notes and outstanding 8.750% notes may be withdrawn at any time prior to the expiration of the exchange offer.

- Tax Consequences: The exchange of outstanding 8.125% notes or outstanding 8.750% notes for new 8.125% notes or new 8.750% notes, respectively, will not be a taxable event for U.S. federal income tax purposes.

- Trading: Neither the new 8.125% notes nor the new 8.750% notes will be listed on any securities exchange.

SEE THE SECTION ENTITLED "RISK FACTORS" THAT BEGINS ON PAGE 10 FOR A DISCUSSION OF THE RISKS THAT YOU SHOULD CONSIDER PRIOR TO TENDERING YOUR OUTSTANDING 8.125% NOTES OR 8.750% NOTES FOR EXCHANGE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is , 2002

The information contained in this prospectus was obtained from us and other sources believed by us to be reliable. This prospectus also incorporates important business and financial information about us that is not included in or delivered with this prospectus.

You should rely only on the information contained in this prospectus or any supplement and any information incorporated by reference in this prospectus or any supplement. We have not authorized anyone to provide you with any information that is different. If you receive any unauthorized information, you must not rely on it. You should disregard anything we said in an earlier document that is inconsistent with what is in or incorporated by reference in this prospectus.

You should not assume that the information in this prospectus or any supplement is current as of any date other than the date on the front page of this prospectus. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

None of Williams, the trustee under the indenture or the exchange agent is making any recommendation to you as to whether or not you should tender your outstanding 8.125% notes or your outstanding 8.750% notes in connection with this exchange offer, and no one has been authorized by any of them to make any such recommendation. You must make your own decision as to whether to tender your outstanding 8.125% notes or your outstanding 8.750% notes and, if so, the principal amount of securities to tender.

You should read this document and the letter of transmittal carefully before making a decision to tender your outstanding 8.125% notes or your outstanding 8.750% notes.

We include cross references in the prospectus to captions in these materials where you can find further related discussions. The following table of contents tells you where to find these captions.

TABLE OF CONTENTS

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus to help you understand our business, the new 8.125% notes and the new 8.750% notes. It likely does not contain all the information that is important to you or that you should consider in making an investment decision. To understand all of the terms of the exchange offer and to attain a more complete understanding of our business and financial situation, you should read carefully this entire prospectus and should consider consulting with your own legal and tax advisors. References in this prospectus to "Williams," "we," "us" or "our" refer to The Williams Companies, Inc.

THE WILLIAMS COMPANIES, INC.

Williams, through Williams Energy Marketing & Trading Company, Williams Gas Pipeline Company, LLC and Williams Energy Services, LLC, and their respective subsidiaries, engages in the following types of energy-related activities:

- price risk management services and the purchase and sale, and arranging of transportation or transmission, of energy and energy-related commodities including natural gas and gas liquids, crude oil and refined products and electricity;

- transportation and storage of natural gas and related activities through the operating and ownership of four wholly-owned interstate natural gas pipelines, several pipeline joint ventures and a wholly-owned liquefied natural gas terminal;

- exploration, production and marketing of oil and gas through ownership of 3.2 trillion cubic feet equivalent of proved natural gas reserves primarily located in the Rocky Mountain, Mid-Continent and Gulf Coast regions of the United States;

- direct investments in international energy projects located primarily in South America and Lithuania, investments in energy and infrastructure development funds in Asia and South America and soda ash mining operations in Colorado;

- natural gas gathering, treating and processing activities through ownership and operation of approximately 11,200 miles of gathering lines, 10 natural gas treating plants and 18 natural gas processing plants (three of which are partially owned) located in the United States and Canada;

- natural gas liquids transportation through ownership and operation of approximately 14,300 miles of natural gas liquids pipeline (4,770 miles of which are partially owned);

- transportation of petroleum products and related terminal services through ownership or operation of approximately 6,747 miles of petroleum products pipeline and 39 petroleum products terminals;

- light hydrocarbon/olefin transportation through 300 miles of pipeline in southern Louisiana;

- ethylene production through a 5/12 interest in a 1.3 billion pounds per year facility in Geismar, Louisiana;

- production and marketing of ethanol and bio-products through operation and ownership of two ethanol plants (one of which is partially owned) and ownership of minority interests of investments in four other plants;

- refining of petroleum products through operation and ownership of two refineries;

- retail marketing through 61 travel centers;

- through a partially owned subsidiary, petroleum products terminal services through the ownership and operation of five marine terminals and 25 inland terminals that form a distribution network for gasoline and other refined petroleum products throughout the southeastern United States; and

- through a partially owned subsidiary, ammonia transportation and terminal services through ownership and operation of an ammonia pipeline and terminal system that extends for approximately 1,100 miles from Texas and Oklahoma to Minnesota.

Williams was incorporated under the laws of the State of Nevada in 1949 and was reincorporated under the laws of the State of Delaware in 1987. Williams maintains its principal executive offices at One Williams Center, Tulsa, Oklahoma 74172, telephone (918) 573-2000.

RECENT DEVELOPMENTS

Since the events surrounding the Enron bankruptcy filing in the fourth quarter of 2001, Williams has been engaged in various discussions with investors, analysts, rating agencies and financial institutions regarding the liquidity implications of such events on the business strategy for Williams' energy trading activities. Williams has also been evaluating its contingent obligations regarding guarantees of certain financial obligations of Williams Communications Group, Inc., which we refer to in this prospectus as "Williams Communications," because of uncertainty regarding Williams Communications' ability to perform and the announcement by Williams Communications that it is considering a reorganization under the bankruptcy laws. Although the three major rating agencies have recently confirmed Williams' investment grade ratings, they have all changed their outlook to negative as a result of these developments. The following is a summary of the steps that are contemplated, are in progress or have been completed which Williams believes will strengthen its balance sheet and enable it to retain its investment grade rating:

- On March 5, 2002, Williams received the requisite approvals for its consent solicitation to amend the terms of $1.4 billion of senior secured notes issued by entities controlled by Williams Communications. Prior to the spinoff, Williams had provided indirect credit support for the senior secured notes through a commitment to make available proceeds of a Williams equity issuance upon the occurrence of certain trigger events. The amendment, among other things, eliminates a bankruptcy by Williams Communications and a Williams credit ratings downgrade from the enumerated list of events that could cause an acceleration of the senior secured notes. Williams is liable for all payments related to the senior secured notes, which bear an interest rate of 8.25% and mature in March 2004. Williams may now fund such payments with any available sources. With the exception of the March and September 2002 interest payments, Williams Communications remains obligated to reimburse Williams for any payments Williams is required to make in connection with the senior secured notes. However, Williams cannot provide any assurances as to the recoverability of this reimbursement obligation.

- In its December 31, 2001 financial statements, Williams recognized a $2.05 billion charge ($1.84 billion to discontinued operations and $213 million to continuing operations) in connection with its assessment of certain receivables and guarantee and payment obligations associated with Williams Communications. Investors should refer to the more detailed discussion on pages 61 to 64 of Williams' Annual Report on Form 10-K for the year ended December 31, 2001 for an explanation of how this charge was calculated. In addition, Williams may recognize additional losses relating to Williams Communications in the future.

- On March 8, 2002, a unit of Williams Communications exercised its purchase option for certain leased assets for which Williams was guarantor. The assets consist of a segment of fiber-optic network and associated facilities. Williams made the termination payment for the assets on March 29, 2002, and as a result became entitled to receive unsecured debt of Williams Communications. The total cost of the assets covered by the lease agreement was approximately $750 million. This event was previously factored into the earnings, balance sheet and liquidity numbers that Williams reported in public filings.

- In January 2002, Williams announced its goal of reducing its annual operating expenses based on its current cost structure by $50 million, effective 2003. Management is evaluating its organizational

structure to determine effective and efficient ways to align services to meet Williams' current business requirements as an energy-only company. In conjunction with this goal, Williams is offering an enhanced-benefit early retirement option to certain employee groups. The potential impact on 2002 expenses, assuming election by all of those eligible for the early retirement option, would be approximately $80 million. Williams does not anticipate that all eligible employees will elect the option. Additionally, Williams will offer severance and redeployment services to employees whose positions are eliminated as a result of the organizational changes.

- During the fourth quarter of 2001, Williams announced its intention to eliminate its exposure to "ratings trigger" clauses incorporated in certain of its agreements (in addition to the triggers contained in the senior secured notes). Williams now has approximately $182 million of total exposure under such agreements. Negotiations are currently underway with the respective financial institutions with a view toward completing these changes during the first half of 2002. In order to obtain removal of ratings triggers from the Snow Goose transaction (see Note 14 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2001 for a description of the Snow Goose transaction), Williams agreed to guarantee all payments due under the transaction and to amortize the loan from Snow Goose to Arctic Fox by paying $112,000,000 quarterly through April 7, 2003.

- On March 27, 2002, Williams closed the sale of its Kern River interstate natural gas pipeline business to a unit of MidAmerican Energy Holdings Company for $450 million in cash and the assumption of $510 million in debt. As a result of the sale, Williams expects that its capital expenditure requirements will be reduced by approximately $1.26 billion over the next one and a half years.

- On March 27, 2002, Williams closed the sale of $275 million of its 9 7/8% cumulative convertible preferred stock to MEHC Investment, Inc., a wholly-owned subsidiary of MidAmerican Energy Holdings Company, and a member of the Berkshire Hathaway family of companies. MEHC Investment acquired 1,466,667 shares of the security at a purchase price of $187.50 per share, pursuant to a stock purchase agreement between the companies. Each share of the security is convertible into 10 shares of Williams' common stock.

- On March 8, 2002, Williams reported that it is pursuing the sale of Williams Pipe Line to a partially owned subsidiary, Williams Energy Partners L.P., for at least $900 million. Williams Pipe Line, a wholly-owned subsidiary of Williams, is comprised of 6,747 miles of active pipe that delivers petroleum products to 11 midwestern states. Last year, the system transported approximately 260 million barrels. Thirty-nine storage and distribution terminals connected to Williams Pipe Line are included in the purchase. The facilities have an aggregate storage capacity of 26.5 million barrels. The sale is expected to close before the end of the second quarter of 2002.

SUMMARY OF THE EXCHANGE OFFER

You are entitled to exchange in the exchange offer your outstanding 8.125% notes for new 8.125% notes with substantially identical terms, and your outstanding 8.750% notes for new 8.750% notes with substantially identical terms. You should read the discussion under the heading "Description of the New Securities" beginning on page 25 for further information regarding the new 8.125% notes and the new 8.750% notes.

We summarize the terms of the exchange offer below. You should read the discussion under the heading "The Exchange Offer" beginning on page 16 for further information regarding the exchange offer and resale of the new 8.125% notes and the new 8.750% notes.

Securities to be Exchanged....	On March 19, 2002, we issued $650.0 million aggregate principal amount of outstanding 8.125% Notes due March 15, 2012 and $850.0 million aggregate principal amount of outstanding 8.750% Notes due March 15, 2032 to initial purchasers in transactions exempt from the registration requirements of the Securities Act of 1933.

	The terms of the new 8.125% notes and the new 8.750% notes are substantially the same in all material respects as the terms of the outstanding 8.125% notes and the outstanding 8.750% notes, except that (1) the new 8.125% notes and the new 8.750% notes will be freely transferable by the holders except as otherwise provided in this prospectus; (2) holders of the new 8.125% notes and the new 8.750% notes will have no registration rights.; and (3) neither the new 8.125% notes nor the new 8.750% notes will contain provisions for an increase in their stated interest rate.
The Exchange Offer.....	We are offering to exchange up to $650.0 million aggregate principal amount of new 8.125% notes for up to $650.0 million aggregate principal amount of outstanding 8.125% notes. We are offering to exchange up to $850.0 million aggregate principal amount of new 8.750% notes for up to $850.0 million aggregate principal amount of outstanding 8.750% notes. Outstanding 8.125% notes and outstanding 8.750% notes may be exchanged only in integral multiples of $1,000. The new 8.125% notes and the new 8.750% notes will evidence the same debt as the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, and the new 8.125% notes and the new 8.750% notes will be governed by the same indenture as the outstanding 8.125% notes and the outstanding 8.750% notes, respectively.
Resale.....	We believe that the new 8.125% notes and the new 8.750% notes issued in the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: - the new 8.125% notes and the new 8.750% notes are being acquired in the ordinary course of your business; - you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the new 8.125% notes and the new 8.750% notes issued to you in the exchange offer; and - you are not an "affiliate" of ours. If any of these conditions is not satisfied and you transfer any new 8.125% notes or new 8.750% notes issued to you in the exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration for your new 8.125% notes and new 8.750% notes from those requirements, you may incur liability under the Securities Act. We do not assume or indemnify you against any of those liabilities. Each broker-dealer that is issued new 8.125% notes or new 8.750% notes in the exchange offer for its own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes which were acquired by that broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the new 8.125% notes or the new 8.750% notes. A broker-dealer may use this prospectus for an offer

	to resell, resale or other transfer of the new 8.125% notes or the new 8.750% notes issued to it in the exchange offer.
Record Date.....	We mailed this prospectus and the related exchange offer documents to registered holders of the outstanding 8.125% notes and the outstanding 8.750% notes on [ ], 2002.
Expiration Date.....	The exchange offer will expire at 5:00 p.m., New York City time, on [ ], 2002, or such later date and time to which we extend it.
Withdrawal of Tenders.....	You may withdraw your tender of outstanding 8.125% notes or outstanding 8.750% notes at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw, the exchange agent must receive a notice of withdrawal at its address indicated under "The Exchange Offer -- Exchange Agent" before 5:00 p.m., New York City time, on the expiration date. We will return to you, without charge, promptly after the expiration or termination of the exchange offer any outstanding 8.125% notes or outstanding 8.750% notes that you tendered but that were not accepted for exchange.
Conditions to the Exchange Offer.....	We will not be required to accept outstanding 8.125% notes or outstanding 8.750% notes for exchange if various conditions are not satisfied or waived by us. The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding 8.125% notes or outstanding 8.750% notes being tendered. Please read the section "The Exchange Offer -- Conditions to the Exchange Offer" on page 23 for more information regarding the conditions to the exchange offer.
Procedures for Tendering Outstanding Securities.....	If your outstanding 8.125% notes or outstanding 8.750% notes are held through The Depository Trust Company and you wish to participate in the exchange offer, you may do so through the automated tender offer program of DTC. By participating in the exchange offer, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things: - any new 8.125% notes or new 8.750% notes that you receive will be acquired in the ordinary course of your business; - you have no arrangement or understanding with any person or entity to participate in the distribution of the new 8.125% notes or the new 8.750% notes; - if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the new 8.125% notes or the new 8.750% notes; - if you are a broker-dealer that will receive new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired as a result of market-making activities, you will deliver

	a prospectus, as required by law, in connection with any resale of the new 8.125% notes or new 8.750% notes; and - you are not our "affiliate," as defined in Rule 405 of the Securities Act, or, if you are our affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act. We will accept for exchange any and all outstanding 8.125% notes or outstanding 8.750% notes which are properly tendered (and not withdrawn) in the exchange offer prior to the expiration date. The new 8.125% notes and the new 8.750% notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer -- Acceptance of Outstanding Securities for Exchange."
Effect of Not Tendering.....	Outstanding 8.125% notes and outstanding 8.750% notes that are not tendered or that are tendered but not accepted will, following the completion of the exchange offer, remain outstanding and will continue to be subject to the currently applicable transfer restrictions. Following the completion of the exchange offer, we will have no obligation to exchange new 8.125% notes and new 8.750% notes for outstanding 8.125% notes and outstanding 8.750% notes or to provide for the registration of those outstanding securities under the Securities Act. The trading market for outstanding 8.125% notes and outstanding 8.750% notes not exchanged in the exchange offer may be significantly more limited than it is at present. Therefore, if your outstanding 8.125% notes or outstanding 8.750% notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged securities.
Special Procedures for Beneficial Owners.....	If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of those book-entry interests or you own a beneficial interest in outstanding 8.125% notes or outstanding 8.750% notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender that book-entry interest of outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf.
Guaranteed Delivery Procedures.....	If you wish to tender your outstanding 8.125% notes or outstanding 8.750% notes and cannot comply, prior to the expiration date, with the applicable procedures under the automated tender offer program of DTC, you must tender your outstanding 8.125% notes or outstanding 8.750% notes according to the guaranteed delivery procedures described in "The Exchange Offer -- Procedures for Tendering Outstanding Securities -- Guaranteed Delivery" beginning on page 20.
Registration Rights Agreement.....	We sold the outstanding 8.125% notes and the outstanding 8.750% notes on March 19, 2002 in transactions exempt from the

	registration requirements of the Securities Act. In connection with these sales, we entered into a registration rights agreement with the initial purchasers which grants the holders of the outstanding 8.125% notes and the outstanding 8.750% notes exchange registration rights. This exchange offer satisfies those rights, which terminate upon consummation of this exchange offer. You will not be entitled to any exchange or registration rights with respect to the new 8.125% notes or the new 8.750% notes.
U.S. Federal Income Tax Considerations.....	The exchange of outstanding 8.125% notes for new 8.125% notes or of outstanding 8.750% notes for new 8.750% notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read "Material United States Federal Income Tax Considerations" on page 33.
Use of Proceeds.....	We will not receive any cash proceeds from the issuance of the new 8.125% notes or the new 8.750% notes.
Exchange Agent.....	We have appointed Bank One Trust Company, N.A., as the exchange agent for the exchange offer. The mailing address and telephone number of the exchange agent are 1 Bank One Plaza, Mail Code IL1-0134, Chicago, Illinois 60670-0134, phone: (800) 524-9472. See "The Exchange Offer -- Exchange Agent."

SUMMARY OF THE TERMS OF THE NEW SECURITIES

NEW 8.125% NOTES:

New 8.125% Notes Offered.....	Up to $650.0 million principal amount of our 8.125% Notes due March 15, 2012.
Interest Rate.....	8.125% per year.
Interest Payment Dates.....	March 15 and September 15 of each year, beginning September 15, 2002. Holders of new 8.125% notes will receive interest from March 19, 2002.
Use of Proceeds.....	We will not receive any cash proceeds from the exchange offer.
Ranking.....	The new 8.125% notes will be senior unsecured obligations of Williams that will rank equally with all of our other outstanding senior unsecured and unsubordinated indebtedness.
Optional Redemption.....	We may redeem some or all of the new 8.125% notes at any time at the redemption price described in this prospectus, plus accrued and unpaid interest, if any, to the redemption date, as described in "Description of the New Securities -- Terms and Conditions."
Optional Exchange.....	Holders of outstanding 8.125% notes may opt not to tender their outstanding 8.125% notes in the exchange offer. Therefore, it is possible that not all new 8.125% notes offered by this prospectus will be issued.

Covenants.....	We will issue the new 8.125% notes under an indenture between us and Bank One Trust Company, N.A., as trustee. The indenture contains covenants that, among other things, limit our ability to: - create liens; and - consolidate, merge or sell material assets. These covenants, which are identical to the covenants applicable to the outstanding 8.125% notes, are subject to a number of important limitations and exceptions. See "Description of the New Securities -- Covenants" for a more comprehensive description of the covenants contained in the indenture.

NEW 8.750% NOTES:

New 8.750% Notes Offered.....	Up to $850.0 million principal amount of our 8.750% Notes due March 15, 2032.
Interest Rate.....	8.750% per year.
Interest Payment Dates.....	March 15 and September 15 of each year, beginning September 15, 2002. Holders of new 8.750% notes will receive interest from March 19, 2002.
Use of Proceeds.....	We will not receive any cash proceeds from the exchange offer.
Ranking.....	The new 8.750% notes will be senior unsecured obligations of Williams that will rank equally with all of our other outstanding senior unsecured and unsubordinated indebtedness.
Optional Redemption.....	We may redeem some or all of the new 8.750% notes at any time at the redemption price described in this prospectus, plus accrued and unpaid interest, if any, to the redemption date, as described in "Description of the New Securities -- Terms and Conditions."
Optional Exchange.....	Holders of outstanding 8.750% notes may opt not to tender their outstanding 8.750% notes in the exchange offer. Therefore, it is possible that not all new 8.750% notes offered by this prospectus will be issued.
Covenants.....	We will issue the new 8.750% notes under an indenture between us and Bank One Trust Company, N.A., as trustee. The indenture contains covenants that, among other things, limit our ability to: - create liens; and - consolidate, merge or sell material assets. These covenants, which are identical to the covenants applicable to the outstanding 8.750% notes, are subject to a number of important limitations and exceptions. See "Description of the New Securities -- Covenants" for a more comprehensive description of the covenants contained in the indenture.

RISK FACTORS

See "Risk Factors" beginning on page 10 for a discussion of factors that should be considered by holders of outstanding 8.125% notes and outstanding 8.750% notes before tendering their securities in the exchange offer.

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

The following table presents our consolidated ratio of earnings to combined fixed charges and preferred stock dividend requirements for the periods shown.

YEAR ENDED DECEMBER 31,				
2001	2000	1999	1998	1997
2.66	2.99	1.86	1.71	2.37

For purposes of computing these ratios, earnings means income (loss) from continuing operations before:

- income taxes;
- extraordinary gain (loss);
- minority interest in income (loss) and preferred returns of consolidated subsidiaries;
- interest expense, net of interest capitalized;
- interest expense of 50-percent-owned companies;
- that portion of rental expense that we believe to represent an interest factor;
- pretax effect of dividends on preferred stock of Williams (1999 and prior);
- adjustment to equity earnings to exclude equity investments with losses; and
- adjustment to equity earnings to reflect actual distributions from equity investments.

Fixed charges means the sum of the following:

- interest expense;
- that portion of rental expense that we believe to represent an interest factor;
- pretax effect of dividends on preferred stock of Williams (1999 and prior);
- pretax effect of dividends on preferred stock and other preferred returns of consolidated subsidiaries; and
- interest expense of 50-percent-owned companies.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this prospectus, you should carefully consider the following risk factors in deciding whether to exchange your outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer.

RISKS ARISING FROM THE EXCHANGE OFFER

THE TRADING MARKET FOR OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES NOT EXCHANGED IN THE EXCHANGE OFFER MAY BE SIGNIFICANTLY MORE LIMITED THAT IT IS AT PRESENT.

To the extent that outstanding 8.125% notes and outstanding 8.750% notes are tendered and accepted for exchange pursuant to the exchange offer, the trading market for outstanding 8.125% notes and outstanding 8.750% notes that remain outstanding may be significantly more limited than it is at present. The outstanding 8.125% notes and the outstanding 8.750% notes have not been registered under the Securities Act and are subject to customary transfer restrictions. In addition, a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a larger float. Therefore, the market price for outstanding 8.125% notes and outstanding 8.750% notes that are not tendered and accepted for exchange pursuant to the exchange offer may be affected adversely to the extent that the principal amount of the outstanding 8.125% notes and outstanding 8.750% notes exchanged pursuant to the exchange offer reduces the float. A reduced float may also make the trading prices of outstanding 8.125% notes and outstanding 8.750% notes that are not exchanged in the exchange offer more volatile.

RISKS RELATING TO WILLIAMS AND OUR BUSINESS

WE WOULD BE SIGNIFICANTLY IMPACTED IF WE LOST OUR INVESTMENT GRADE RATINGS.

Our energy marketing and trading business relies upon the investment grade rating of our senior unsecured long-term debt to satisfy credit support requirements of many counterparties. If our credit ratings were to decline below investment grade, our ability to participate in energy marketing and trading activity could be significantly limited. Alternate credit support would be required under certain existing agreements and would be necessary to support future transactions. Without an investment grade rating, we would be required to fund margin requirements pursuant to industry standard derivative agreements with cash, letters of credit or other negotiable instruments. At December 31, 2001, the total notional amounts that could require such funding, in the event of a credit rating decline of Williams to below investment grade, was approximately $500 million after consideration of offsetting positions but before consideration of margin deposits from the same counterparties. Additionally, aside from the triggers contained in the $1.4 billion of senior secured notes issued by entities controlled by Williams Communications (which were eliminated as a result of our recent consent solicitation), we have approximately $182 million of total exposure under our financing transactions that contain triggers tied to our credit ratings. In the event our senior unsecured long-term debt ratings decline below investment grade levels, subject to certain limited exceptions, our obligations under those financing transactions could be accelerated.

WE MAY HAVE DIFFICULTY ACCESSING CAPITAL ON ATTRACTIVE TERMS OR AT ALL.

As a result of the occurrence of several recent events, including the September 11, 2001 terrorist attack on the United States, the ongoing war against terrorism by the United States and the bankruptcy of Enron Corp., one of our major competitors, the availability and cost of capital for our business and that of our competitors has been adversely affected. In addition, the bankruptcy of Enron has caused the credit ratings agencies to more thoroughly review the capital structure and earnings potential of energy companies, including us. These events have constrained the capital available to the energy industry and could adversely affect our access to funding for our operations. Our business is capital intensive and achievement of our growth targets is dependent, at least in part, upon our ability to access capital at rates and on terms we determine to be attractive. If our ability to access capital on attractive terms becomes significantly constrained, our financial condition and future results of operations could be materially adversely affected.

CREDIT EXPOSURE TO ENRON MAY ADVERSELY AFFECT OUR PROFITABILITY.

Through a variety of contractual arrangements, consisting primarily of energy commodity and derivative trading contracts, we have credit exposure to Enron Corp. and certain of its subsidiaries which have sought protection from creditors under Chapter 11 of the U.S. Bankruptcy Code. During the fourth quarter of 2001, we recorded a decrease in revenues of approximately $130 million as a part of our valuation of energy commodity and derivative trading contracts with Enron entities, $91 million of which was recorded pursuant to events immediately preceding and following the announced bankruptcy of Enron. Other of our subsidiaries recorded approximately $5 million of bad debt expense related to amounts receivable from Enron entities in the fourth quarter of 2001, reflected in selling, general and administrative expenses. At December 31, 2001, we have reduced our recorded exposure to accounts receivable from Enron entities, net of margin deposits, to expected recoverable amounts.

WE MAY BE SUBJECT TO ADDITIONAL LIABILITIES PERTAINING TO OUR SPUN-OFF TELECOMMUNICATIONS BUSINESS UNIT.

In the fourth quarter of 2001, we recorded $2.05 billion in pre-tax charges because we concluded that it is probable that we will not fully realize $375 million of receivables from Williams Communications and will be required to perform on $2.21 billion of guarantee and payment obligations of Williams Communications, including $750 million on the guarantee of the asset defeasance lease refinancing, which we paid in full on March 29, 2002, and $1.4 billion on the senior secured notes issued by entities controlled by Williams Communications. Although we are an unsecured creditor of Williams Communications with respect to these receivables and will become an unsecured creditor of Williams Communications for any amounts paid by us under the guarantee and payment obligations, we expect that we will be able to recover only a portion of the amounts we are owed. Based on various factors, we have developed a range of loss on receivables with a minimum loss of 80% on certain of the receivables and unsecured balances arising from performance of the guarantee and payment obligations. Estimating the range of loss as an unsecured creditor involves complex judgments and assumptions. The actual loss may ultimately differ from the recorded loss due to numerous factors, which include, but are not limited to, the future demand for telecommunications services and the state of the telecommunications industry, Williams Communications' individual performance, and the nature of any restructuring of Williams Communications' balance sheet. Accordingly, we may record additional losses in the future with respect to these unsecured claims against Williams Communications.

In April 2001, we spun off Williams Communications, our telecommunications unit, which was subject to certain lawsuits and settlement negotiations, including claims for damages, indemnification for royalties and other contractual claims by third parties. Further, the unit was subject to a putative class action brought on behalf of all landowners on whose property the plaintiffs have alleged our former telecommunications unit installed fiber-optic cable without the permission of the landowner. Another potential putative class action may challenge the unit's railroad or pipeline rights of way. We cannot be certain that this purported class action and other purported class actions against our former telecommunications unit, if successfully brought against us, will not have a significant adverse impact on our business.

We have received a private letter ruling from the Internal Revenue Service (IRS) stating that the distribution of Williams Communications common stock would be tax-free to us and our stockholders. Although private letter rulings are generally binding on the IRS, we will not be able to rely on this ruling if any of the factual representations or assumptions that were made to obtain the ruling are, or become, incorrect or untrue in any material respect. However, we are not aware of any facts or circumstances that would cause any of the representations or assumptions to be incorrect or untrue in any material respect. The distribution could also become taxable to us, but not our shareholders, under the Internal Revenue Code (IRC) in the event that our or Williams Communications' business combinations were deemed to be part of a plan contemplated at the time of distribution and would constitute a total cumulative change of more than 50 percent of the equity interest in either company.

RECENT AND ONGOING LAWSUITS MAY IMPAIR OUR FINANCIAL CONDITION AND LIQUIDITY AND COULD DIVERT THE ATTENTION OF OUR MANAGEMENT.

Since January 29, 2002, we have been named in numerous shareholder class action suits that have been filed in the United States District Court for the Northern District of Oklahoma. The majority of the suits allege that we and co-defendants, Williams Communications and certain corporate officers, have acted jointly and separately to inflate the stock price of both companies. Other suits allege similar causes of action related to a public offering in early January 2002 known as the FELINE PACS offering. These cases were filed against us, certain corporate officers, all members of our board of directors and all of the offering's underwriters. In addition, class action complaints have been filed against us and the members of our board of directors under the Employee Retirement Income Security Act by participants in our 401(k) plan and a derivative shareholder suit has been filed in state court in Oklahoma, all based on similar allegations. We do not believe that the ultimate resolution of these matters as well as other ongoing litigations, taken as a whole, will materially adversely affect our financial position, results of operations or cash flows; however, we cannot provide assurances to that effect.

PRICING REGULATIONS FOR POWER SOLD IN CALIFORNIA AND THE WESTERN UNITED STATES MAY ADVERSELY AFFECT OUR PROFITABILITY.

The prices that we charge, and have charged, for power in California markets have been challenged in various proceedings, including before the Federal Energy Regulatory Commission, or the "FERC." In December 2000, the FERC issued an order which provided that for the period between October 2, 2000 and December 31, 2002, it may order refunds from us and other similarly situated companies if the FERC finds that the wholesale markets in California are unable to produce competitive, just and reasonable prices, or that market power or other individual seller conduct has been exercised to produce an unjust and unreasonable rate. Beginning on March 9, 2001, the FERC issued a series of orders directing us and other similarly situated companies to provide refunds for any prices charged in excess of FERC established proxy prices from January 1, 2001 to May 29, 2001 or to provide justification for the prices charged during those months. According to the FERC, our total potential refund liability for this period is approximately $30 million. Commencing May 29, 2001, a new prospective proxy price methodology was established by FERC that was further adjusted by an order of June 19, 2001. We have filed justification for our prices with the FERC and calculated our refund liability under the methodology used by the FERC to compute refund amounts at approximately $11 million. However, in our FERC filings, we continue our objections to refunds in any amount. No assurances can be given that the FERC will not seek refunds of additional amounts for the period commencing October 2, 2000 forward. A FERC administrative law judge held extensive settlement discussions in June and July 2001 regarding refunds and after failing to reach a settlement, recommended a refund methodology to the FERC. On July 25, 2001, the FERC adopted, to a significant extent, the judge's methodology. On December 19, 2001, the FERC clarified the methodology on rehearing. This methodology will establish the rates for October 2, 2000 through June 19, 2001 and will determine refunds and offsets for that period. All refund amounts discussed above will be subsumed within this proceeding. The judge presiding over the refund proceedings is expected to issue his findings in November 2002 and the FERC will subsequently issue a refund order based on these findings. We do not expect that this proceeding will result in a refund liability that will have a material financial impact on us. However, there can be no assurance that our refund exposure will not have such an adverse impact. Certain parties have also asked the FERC to revoke our authority to sell power from California-based generating units at market-based rates; to limit us to cost-based rates for future sales from such units; and to order refunds of excessive rates with interest back to May 1, 2000 and possibly earlier. Although we believe these requests are ill-founded and will be rejected by the FERC, there can be no assurance of such action.

The June 19, 2001 order discussed above also implements a price mitigation and market monitoring plan for wholesale power sales by all suppliers of electricity, including us, in spot markets for a region that includes California and ten other western states (the "Western Systems Coordinating Council," or "WSCC"). In general, the plan, which will be in effect from June 20, 2001 through September 30, 2002, establishes a market clearing price for spot sales in all hours of the day that is based on the bid of the highest-cost gas-fired

California generating unit that is needed to serve the California Independent System Operator's load. When generation operating reserves fall below 7% in California (a "reserve deficiency period"), absent cost based justification for a higher price, the maximum price that we may charge for wholesale spot sales in the WSCC is the market clearing price. When generation operating reserves rise to 7% or above in California, absent cost based justification for a higher price, our maximum price will be limited to 85% of the highest hourly price that was in effect during the most recent reserve deficiency period. At this time, we do not believe that this price mitigation plan will result in a material adverse effect on our results of operations or our financial condition. However, there can be no assurance that this plan will not have such an adverse impact.

The California Public Utilities Commission (CPUC) filed a complaint with FERC on February 25, 2002, seeking to void or, alternatively, reform a number of the long-term power purchase contracts entered into between the State of California and several suppliers in 2001, including us. The CPUC alleges that the contracts are tainted with the exercise of market power and significantly exceed "just and reasonable" prices. The Electricity Oversight Board (EOB) made a similar filing on February 27, 2002. While we believe these complaints are ill-founded, no assurance can be provided with respect to any actions that FERC may take in response to these complaints.

On February 13, 2002, the FERC issued an Order Directing Staff Investigation commencing a proceeding titled Fact-Finding Investigation of Potential Manipulation of Electric and Natural Gas Prices. Through the investigation, the FERC intends to determine whether "any entity, including Enron Corporation (through any of its affiliates or subsidiaries), manipulated short-term prices for electric energy or natural gas in the West or otherwise exercised undue influence over wholesale electric prices in the West, since January 1, 2000, resulting in potentially unjust and unreasonable rates in long-term power sales contracts subsequently entered into by sellers in the West." This investigation does not constitute a Federal Power Act complaint; rather, results of the investigation will be used by the FERC in any existing or subsequent Federal Power Act or Natural Gas Act complaint. The FERC Staff is directed to complete the investigation as soon as "is practicable." We, through many of our subsidiaries, are a major supplier of natural gas and power in the West and as such anticipate being the subject of certain aspects of the investigation.

CREDIT EXPOSURE IN CALIFORNIA MAY ADVERSELY AFFECT OUR PROFITABILITY.

Through a long-term contractual relationship with affiliates of AES Corp., we have marketing rights to nearly 4,000 megawatts of generation capacity in the Los Angeles basin. We sell much of this capacity on a forward basis through contracts with various counterparties. The remainder of our available capacity is sold in the spot and short term market primarily through the California Independent System Operator. During the period of the summer of 2000 through the winter of 2000-2001, tight supply and increased demand resulted in higher wholesale power prices to California utilities. At the same time, two of the three major utilities have been operating under a retail rate freeze. As a result, there was significant underrecovery of costs by the utilities, one of which, Pacific Gas & Electric, has filed for bankruptcy protection. In addition, Southern California Edison has entered into an agreement with the State of California regarding various arrangements that could prevent its bankruptcy. Williams believes that as of March 1, 2002, Southern California Edison has become current on all of its obligations to the market. At this time, we do not believe that our credit exposure to the California utilities would result in a material adverse effect on our results of operations or financial condition. However, there can be no assurance that our credit exposure will not have such an adverse impact.

CLASS ACTION LAWSUITS AND FEDERAL AND STATE INITIATIVES, INVESTIGATIONS AND PROCEEDINGS RELATING TO OUR ACTIVITIES IN CALIFORNIA MAY ADVERSELY AFFECT OUR PROFITABILITY.

A number of federal and state initiatives addressing the issues of the California electric power industry are also ongoing and may result in restructuring of various markets in California and elsewhere. Discussions in California and other states have ranged from threats of re-regulation to suspension of plans to move forward with deregulation. Allegations have also been made that wholesale price increases resulted from the exercise of market power and collusion of the power generators and sellers, such as us. These allegations have resulted in multiple state and federal investigations. In May 2001, the Department of Justice issued a Civil Investigative Demand commencing an antitrust investigation relating to an agreement between one of our

subsidiaries and AES Southland alleging that the agreement limits the expansion of electric generating capacity at or near the AES Southland plants that are subject to a long-term tolling agreement between us and AES. We are cooperating with the investigation.

The allegations have also resulted in the filing of class action lawsuits in which we were named as a defendant. Between November 2000 and May 2001, class actions were filed on behalf of California ratepayers against California power generators and traders, including Williams Energy Marketing & Trading Company, one of our subsidiaries. These lawsuits concern the increase in power prices in California during the summer of 2000 through the winter of 2000-01 and claim that the defendants acted to manipulate prices in violation of the California antitrust and business practice statutes and other state and federal laws. Plaintiffs are seeking injunctive relief as well as restitution, disgorgement, appointment of a receiver, and damages, including treble damages. These cases have been consolidated before the San Diego County Superior Court.

In addition, on March 11, 2002, the California Attorney General's office filed a civil complaint against us. This complaint alleges violations of Section 17200 of the California Business & Professions Code which prohibits acts of unfair competition. The alleged unfair competition revolves around Williams' practice under its FERC-approved tariff of selling ancillary services and then selling the power associated with those services separately. Similar separate suits were filed against other marketers. We dispute the allegations and intend to vigorously defend against them. Most of these initiatives, investigations and proceedings are in their preliminary stages and their likely outcome cannot be estimated. There can be no assurance that these initiatives, investigations and proceedings will not have an adverse effect on Williams' results of operations or financial condition.

OUR BUSINESS WILL BE IMPACTED BY THE LEVEL OF ACTIVITY IN THE OIL AND GAS INDUSTRY, WHICH IS SIGNIFICANTLY AFFECTED BY VOLATILE OIL AND GAS PRICES.

Our business is impacted by the level of activity in oil and gas exploration, development and production in markets worldwide. Oil and gas prices, market expectations of potential changes in these prices and a variety of political and economic factors significantly affect this level of activity. Oil and gas prices are extremely volatile and are affected by numerous factors, including:

- worldwide demand for oil and gas;
- the ability of the Organization of Petroleum Exporting Countries, commonly called "OPEC," to set and maintain production levels and pricing;
- the level of production in non-OPEC countries; and
- the policies of the various governments regarding exploration and development of their oil and gas reserves.

OUR OPERATIONS ARE SUBJECT TO OPERATIONAL HAZARDS, UNINSURED RISKS AND ENVIRONMENTAL RISKS.

Our exploration, production, transportation, gathering, refining and processing operations are subject to the inherent risks normally associated with those operations, including explosions, pollution, release of toxic substances, fires and other hazards, each of which could result in damage to or destruction of our facilities or damage to persons and property. If any of these events were to occur, we could suffer substantial losses. Although we maintain insurance against these types of risks to the extent and in amounts that we believe are reasonable, our financial condition and operations could be adversely affected if a significant event occurs that is not fully covered by insurance.

Our current and former operations also involve management of regulated materials and are subject to various environmental laws and regulations. Certain of our subsidiaries have been identified as potentially responsible parties at hazardous materials disposal sites under the federal environmental laws, and have incurred, or are alleged to have incurred, various other hazardous materials removal and remediation obligations under environmental laws. Further, certain of our subsidiaries are currently negotiating settlements with the U.S. Department of Justice and the U.S. Environmental Protection Agency with respect to their

waste management practices and air emissions. In settlement of several of these matters, our relevant subsidiary has agreed, during the fourth quarter of 2001, to pay monetary fines and/or conduct supplemental environmental projects. These fines and projects are estimated to cost approximately $2.9 million in the aggregate. It is not possible for us to estimate with certainty the amount and timing of all future expenditures related to environmental matters.

TERRORIST ATTACKS, SUCH AS THE ATTACKS THAT OCCURRED ON SEPTEMBER 11, 2001, AND WAR OR RISK OF WAR MAY ADVERSELY IMPACT OUR RESULTS OF OPERATIONS, OUR ABILITY TO RAISE CAPITAL OR OUR FUTURE GROWTH.

The impact that the terrorist attacks of September 11, 2001 may have on the energy industry in general, and on us in particular, is not known at this time. Uncertainty surrounding military strikes or a sustained military campaign may impact our operations in unpredictable ways, including changes in the insurance markets, disruptions of fuel supplies and markets, particularly oil, and the possibility that infrastructure facilities, including pipelines, production facilities, refineries, electric generation, transmission and distribution facilities, could be direct targets of, or indirect casualties of, an act of terror. War or risk of war may also have an adverse effect on the economy. The terrorist attacks on September 11, 2001 and the changes in the insurance markets attributable to the terrorist attacks have made it difficult for us to obtain certain types of insurance coverage. We may be unable to secure the levels and types of insurance we would otherwise have secured prior to September 11, 2001. There can be no assurance that insurance will be available to us without significant additional costs. A lower level of economic activity could also result in a decline in energy consumption which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war could also affect our ability to raise capital.

RISK RELATING TO THE NEW SECURITIES

WE DEPEND ON PAYMENTS FROM OUR SUBSIDIARIES, AND CLAIMS OF NOTE HOLDERS RANK JUNIOR TO THOSE OF CREDITORS OF OUR SUBSIDIARIES.

We are a holding company and we conduct substantially all of our operations through our subsidiaries. We perform management, legal, financial, tax, consulting, administrative and other services for our subsidiaries. Our principal sources of cash are from external financings, dividends and advances from our subsidiaries, investments, payments by our subsidiaries for services rendered, and interest payments from our subsidiaries on cash advances. The amount of dividends available to us from our subsidiaries largely depends upon each subsidiary's earnings and operating capital requirements. The terms of some of our subsidiaries' borrowing arrangements limit the transfer of funds to us. In addition, the ability of our subsidiaries to make any payments to us will depend on our subsidiaries' earnings, business and tax considerations and legal restrictions.

As a result of our holding company structure, the new 8.125% notes and the new 8.750% notes will effectively rank junior to all existing and future debt, trade payables and other liabilities of our subsidiaries. Any right of Williams and our creditors to participate in the assets of any of our subsidiaries upon any liquidation or reorganization of any such subsidiary will be subject to the prior claims of that subsidiary's creditors, including trade creditors, except to the extent that we may ourselves be a creditor of such a subsidiary.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the new 8.125% notes or the new 8.750% notes in exchange for the outstanding 8.125% notes or the outstanding 8.750% notes, respectively. We are making this exchange solely to satisfy our obligations under a registration rights agreement. In consideration for issuing the new 8.125% notes and the new 8.750% notes, we will receive outstanding 8.125% notes and outstanding 8.750% notes in aggregate principal amounts equal to the aggregate principal amounts of the new 8.125% notes and the new 8.750% notes, respectively.

THE EXCHANGE OFFER

EXCHANGE TERMS

An aggregate of $650.0 million principal amount of outstanding 8.125% notes and an aggregate of $850.0 million principal amount of outstanding 8.750% notes are currently issued and outstanding. The maximum principal amount of new 8.125% notes that will be issued in exchange for outstanding 8.125% notes is $650.0 million, and the maximum principal amount of new 8.750% notes that will be issued in exchange for outstanding 8.750% notes is $850.0 million. The terms of the new 8.125% notes and the new 8.750% notes and the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, are substantially the same in all material respects, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding 8.125% notes and the outstanding 8.750% notes do not apply to the new 8.125% notes and the new 8.750% notes.

The new 8.125% notes will bear interest at a rate of 8.125% per year, payable semiannually on March 15 and September 15 of each year, beginning September 15, 2002. The new 8.750% notes will bear interest at the rate of 8.750% per year, payable semiannually on March 15 and September 15 of each year, beginning September 15, 2002. Holders of new 8.125% notes and new 8.750% notes will receive interest accrued from March 19, 2002, the date of the original issuance of the outstanding 8.125% notes and the outstanding 8.750% notes, or from the date of the last payment of interest on the outstanding 8.125% notes or the outstanding 8.750% notes, whichever is later. Holders of new 8.125% notes and new 8.750% notes will not receive any payment on account of accrued interest on outstanding 8.125% notes and outstanding 8.750% notes tendered and accepted for exchange. In order to exchange your outstanding 8.125% notes or outstanding 8.750% notes for new 8.125% notes or new 8.750% notes in the exchange offer, you will be required to make the following representations:

- any new 8.125% notes or new 8.750% notes will be acquired in the ordinary course of your business;

- you have no arrangement with any person to participate in the distribution of the new 8.125% notes or new 8.750% notes; and

- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or if you are our affiliate, you will comply with the applicable registration and prospectus delivery requirements of the Securities Act.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any outstanding 8.125% notes and outstanding 8.750% notes properly tendered in the exchange offer, and the exchange agent will deliver the new 8.125% notes and new 8.750% notes promptly after the expiration date (as defined below) of the exchange offer. We expressly reserve the right to delay acceptance of any of the tendered outstanding 8.125% notes or outstanding 8.750% notes not already accepted if any condition set forth below under "-- Conditions to the Exchange Offer" has not been satisfied or waived by us or in order to comply, in whole or in part, with any applicable law.

If you tender your outstanding 8.125% notes or outstanding 8.750% notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the outstanding 8.125% notes and outstanding 8.750% notes. We will pay all charges, expenses and transfer taxes in connection with the exchange offer, other than certain taxes described below under "-- Transfer Taxes."

You may tender some or all of your outstanding 8.125% notes or outstanding 8.750% notes in connection with this exchange offer. However, outstanding 8.125% notes and outstanding 8.750% notes may only be tendered in integral multiples of $1,000.

EXPIRATION DATE; EXTENSIONS; TERMINATION; AMENDMENTS

The exchange offer will expire at 5:00 p.m., New York City time, on [ ], 2002, the "expiration date," unless extended by us. We expressly reserve the right to extend the exchange offer on a daily basis or for such period or periods as we may determine in our sole discretion from time to time by giving oral, confirmed

in writing, or written notice to the exchange agent and by making a public announcement by press release to the Dow Jones News Service prior to 9:00 a.m., New York City time, on the first business day following the previously scheduled expiration date. During any extension of the exchange offer, all outstanding 8.125% notes and outstanding 8.750% notes previously tendered, not validly withdrawn and not accepted for exchange will remain subject to the exchange offer and may be accepted for exchange by us.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, to:

- waive any condition to the exchange offer; and

- amend any of the terms of the exchange offer.

Any waiver or amendment to the exchange offer will apply to all outstanding 8.125% notes and outstanding 8.750% notes tendered, regardless of when or in what order the outstanding 8.125% notes and outstanding 8.750% notes were tendered. If we make a material change in the terms of the exchange offer or if we waive a material condition of the exchange offer, we will disseminate additional exchange offer materials, and we will extend the exchange offer to the extent required by law.

We expressly reserve the right, in our sole discretion, to terminate the exchange offer if any of the conditions set forth under "-- Conditions to the Exchange Offer" exists. Any such termination will be followed promptly by a public announcement. In the event we terminate the exchange offer, we will give immediate notice to the exchange agent, and all outstanding 8.125% notes and outstanding 8.750% notes previously tendered and not accepted for payment will be returned promptly to the tendering holders.

In the event that the exchange offer is withdrawn or otherwise not completed, new 8.125% notes and new 8.750% notes will not be given to holders of outstanding 8.125% notes and outstanding 8.750% notes who have tendered their outstanding 8.125% notes and outstanding 8.750% notes.

RESALE OF NEW SECURITIES

Based on interpretations of the SEC staff set forth in no action letters issued to third parties, we believe that new 8.125% notes and new 8.750% notes issued under the exchange offer in exchange for outstanding 8.125% notes and outstanding 8.750% notes, respectively, may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

- you are not our "affiliate" within the meaning of Rule 405 under the Securities Act;

- you are acquiring new 8.125% notes or new 8.750% notes in the ordinary course of your business; and

- you do not intend to participate in the distribution of the new 8.125% notes or new 8.750% notes.

If you tender outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer with the intention of participating in any manner in a distribution of the new 8.125% notes or new 8.750% notes:

- you cannot rely on those interpretations by the SEC staff; and

- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

Unless an exemption from registration is otherwise available, any security holder intending to distribute new 8.125% notes and new 8.750% notes will need to rely on an effective registration statement under the Securities Act containing the selling security holder's information required by Item 507 of Regulation S-K under the Securities Act. This prospectus may be used for an offer to resell, a resale or other transfer of new 8.125% notes and new 8.750% notes only as specifically set forth in this prospectus. Broker-dealers may participate in the exchange offer only if they acquired their outstanding 8.125% notes or outstanding 8.750% notes as a result of market-making activities or other trading activities. Each broker-dealer that

receives new 8.125% notes or new 8.750% notes for its own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes, where such outstanding 8.125% notes or outstanding 8.750% notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the new 8.125% notes or new 8.750% notes. We have agreed to allow such broker-dealers and other persons, if any, subject to similar prospectus delivery requirements, to use this prospectus in connection with the resale of new 8.125% notes and new 8.750% notes. Please read the section captioned "Plan of Distribution" for more details regarding the transfer of new 8.125% notes and new 8.750% notes.

ACCEPTANCE OF OUTSTANDING SECURITIES FOR EXCHANGE

We will accept for exchange outstanding 8.125% notes and outstanding 8.750% notes validly tendered pursuant to the exchange offer, or defectively tendered, if such defect has been waived by us, and not withdrawn prior to the later of: (1) the expiration date of the exchange offer; and (2) the satisfaction or waiver of the conditions specified below under "-- Conditions to the Exchange Offer." We will not accept outstanding 8.125% notes or outstanding 8.750% notes for exchange subsequent to the expiration date of the exchange offer. Tenders of outstanding 8.125% notes and outstanding 8.750% notes will be accepted only in principal amounts equal to $1,000 or integral multiples thereof.

We expressly reserve the right, in our sole discretion, to:

- delay acceptance for exchange of outstanding 8.125% notes and outstanding 8.750% notes tendered under the exchange offer, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders promptly after the termination or withdrawal of a tender offer; or

- terminate the exchange offer and not accept for exchange any outstanding 8.125% notes or outstanding 8.750% notes not theretofore accepted for exchange, if any of the conditions set forth below under "-- Conditions to the Exchange Offer" has not been satisfied or waived by us or in order to comply, in whole or in part, with any applicable law. In all cases, new 8.125% notes and new 8.750% notes will be issued only after timely receipt by the exchange agent of certificates representing outstanding 8.125% notes or outstanding 8.750% notes, or confirmation of book-entry transfer, a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and any other required documents. For purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered outstanding 8.125% notes and outstanding 8.750% notes, or defectively tendered outstanding 8.125% notes and outstanding 8.750% notes with respect to which we have waived such defect, if, as and when we give oral, confirmed in writing, or written notice to the exchange agent. Promptly after the expiration date, we will deposit the new 8.125% notes and the new 8.750% notes with the exchange agent, who will act as agent for the tendering holders for the purpose of receiving the new 8.125% notes and new 8.750% notes and transmitting them to the holders. The exchange agent will deliver the new 8.125% notes and new 8.750% notes to holders of outstanding 8.125% notes and outstanding 8.750% notes accepted for exchange after the exchange agent receives the new 8.125% notes and new 8.750% notes.

If for any reason, we delay acceptance for exchange of validly tendered outstanding 8.125% notes or outstanding 8.750% notes or we are unable to accept for exchange validly tendered outstanding 8.125% notes or outstanding 8.750% notes, then the exchange agent may, nevertheless, on our behalf, retain tendered outstanding 8.125% notes and outstanding 8.750% notes, without prejudice to our rights described under "-- Expiration Date; Extensions; Termination; Amendments," "-- Withdrawal of Tenders" and "-- Conditions to the Exchange Offer," subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

If any tendered outstanding 8.125% notes or outstanding 8.750% notes are not accepted for exchange for any reason, including if certificates are submitted evidencing more outstanding 8.125% notes or outstanding 8.750% notes than those that are tendered, certificates evidencing outstanding 8.125% notes or outstanding

8.750% notes that are not exchanged will be returned, without expense, to the tendering holder, or, in the case of outstanding 8.125% notes or outstanding 8.750% notes tendered by book-entry transfer into the exchange agent's account at a book-entry transfer facility under the procedure set forth under "-- Procedures for Tendering Outstanding Securities -- Book-Entry Transfer," such outstanding 8.125% notes and outstanding 8.750% notes will be credited to the account maintained at such book-entry transfer facility from which such outstanding 8.125% notes or outstanding 8.750% notes were delivered, unless otherwise required by such holder under "Special Delivery Instructions" in the letter of transmittal, promptly following the exchange date or the termination of the exchange offer.

Tendering holders of outstanding 8.125% notes and outstanding 8.750% notes exchanged in the exchange offer will not be obligated to pay brokerage commissions or transfer taxes with respect to the exchange of their outstanding 8.125% notes or outstanding 8.750% notes other than as described in "-- Transfer Taxes" or in Instruction 9 to the letter of transmittal. We will pay all other charges and expenses in connection with the exchange offer.

PROCEDURES FOR TENDERING OUTSTANDING SECURITIES

Any beneficial owner whose outstanding 8.125% notes or outstanding 8.750% notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or held through a book-entry transfer facility and who wishes to tender outstanding 8.125% notes or outstanding 8.750% notes should contact such registered holder promptly and instruct such registered holder to tender outstanding 8.125% notes or outstanding 8.750% notes on such beneficial owner's behalf.

Tender of Outstanding Securities Held Through DTC. The exchange agent and DTC have confirmed that the exchange offer is eligible for the DTC automated tender offer program. Accordingly, DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer outstanding 8.125% notes or outstanding 8.750% notes to the exchange agent in accordance with DTC's automated tender offer program procedures for transfer. DTC will then send an agent's message to the exchange agent.

The term "agent's message" means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgement from the participant in DTC tendering outstanding 8.125% notes or outstanding 8.750% notes that are the subject of that book-entry confirmation that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant. In the case of an agent's message relating to guaranteed delivery, the term means a message transmitted by DTC and received by the exchange agent, which states that DTC has received an express acknowledgement from the participant in DTC tendering outstanding 8.125% notes or outstanding 8.750% notes that they have received and agree to be bound by the notice of guaranteed delivery.

Tender of Outstanding Securities Held in Physical Form. For a holder to validly tender outstanding 8.125% notes or outstanding 8.750% notes held in physical form:

- the exchange agent must receive at its address set forth in this prospectus a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

- the exchange agent must receive certificates for tendered outstanding 8.125% notes or outstanding 8.750% notes at such address, or such outstanding 8.125% notes or outstanding 8.750% notes must be transferred pursuant to the procedures for book-entry transfer described above. A confirmation of such book-entry transfer must be received by the exchange agent prior to the expiration date of the exchange offer. A holder who desires to tender outstanding 8.125% notes or outstanding 8.750% notes and who cannot comply with the procedures set forth in this prospectus for tender on a timely basis or whose outstanding 8.125% notes or outstanding 8.750% notes are not immediately available must comply with the procedures for guaranteed delivery set forth below.

LETTERS OF TRANSMITTAL AND OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES SHOULD BE SENT ONLY TO THE EXCHANGE AGENT AND NOT TO US OR TO ANY BOOK-ENTRY TRANSFER FACILITY.

THE METHOD OF DELIVERY OF OUTSTANDING 8.125% NOTES, OUTSTANDING 8.750% NOTES, LETTERS OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES. DELIVERY OF SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF SUCH DELIVERY IS BY MAIL, WE SUGGEST THAT THE HOLDER USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE OF THE EXCHANGE OFFER TO PERMIT DELIVERY TO THE EXCHANGE AGENT PRIOR TO SUCH DATE. NO ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING 8.125% NOTES OR OUTSTANDING 8.750% NOTES WILL BE ACCEPTED.

Signature Guarantees. Signatures on the letter of transmittal must be guaranteed by an eligible institution unless:

- the letter of transmittal is signed by the registered holder of the outstanding 8.125% notes or outstanding 8.750% notes tendered therewith, or by a participant in one of the book-entry transfer facilities whose name appears on a security position listing it as the owner of those outstanding 8.125% notes or outstanding 8.750% notes, or if any outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not tendered are to be issued directly to the holder, or, if tendered by a participant in one of the book-entry transfer facilities, any outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not tendered or not accepted for exchange are to be credited to the participant's account at the book-entry transfer facility, and neither the "Special Issuance Instructions" nor the "Special Delivery Instructions" box on the letter of transmittal has been completed, or

- the outstanding 8.125% notes or outstanding 8.750% notes are tendered for the account of an eligible institution.

An eligible institution is a firm that is a participant in the Security Transfer Agents Medallion Program or the Stock Exchanges Medallion Program, which is generally a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office in the United States.

Book-Entry Transfer. The exchange agent will seek to establish a new account or utilize an outstanding account with respect to the outstanding 8.125% notes and outstanding 8.750% notes at DTC promptly after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility system and whose name appears on a security position listing it as the owner of the outstanding 8.125% notes or outstanding 8.750% notes may make book-entry delivery of outstanding 8.125% notes or outstanding 8.750% notes by causing the book-entry transfer facility to transfer such outstanding 8.125% notes or outstanding 8.750% notes into the exchange agent's account. HOWEVER, ALTHOUGH DELIVERY OF OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES MAY BE EFFECTED THROUGH BOOK-ENTRY TRANSFER INTO THE EXCHANGE AGENT'S ACCOUNT AT A BOOK-ENTRY TRANSFER FACILITY, A PROPERLY COMPLETED AND VALIDLY EXECUTED LETTER OF TRANSMITTAL, OR A MANUALLY SIGNED FACSIMILE THEREOF, MUST BE RECEIVED BY THE EXCHANGE AGENT AT ITS ADDRESS SET FORTH IN THIS PROSPECTUS ON OR PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER, OR ELSE THE GUARANTEED DELIVERY PROCEDURES DESCRIBED BELOW MUST BE COMPLIED WITH. The confirmation of a book-entry transfer of outstanding 8.125% notes or outstanding 8.750% notes into the exchange agent's account at a book-entry transfer facility is referred to in this prospectus as a "book-entry confirmation." DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THAT BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

Guaranteed Delivery. If you wish to tender your outstanding 8.125% notes or outstanding 8.750% notes and:

- certificates representing your outstanding 8.125% notes or outstanding 8.750% notes are not lost but are not immediately available;

- time will not permit your letter of transmittal, certificates representing your outstanding 8.125% notes or outstanding 8.750% notes and all other required documents to reach the exchange agent on or prior to the expiration date of the exchange offer; or

- the procedures for book-entry transfer cannot be completed on or prior to the expiration date of the exchange offer,

then, you may tender if both of the following are complied with:

- your tender is made by or through an eligible institution; and

- on or prior to the expiration date of the exchange offer, the exchange agent has received from the eligible institution a properly completed and validly executed notice of guaranteed delivery, by manually signed facsimile transmission, mail or hand delivery, in substantially the form provided with this prospectus.

The notice of guaranteed delivery must:

- set forth your name and address, the registered number(s) of your outstanding 8.125% notes or outstanding 8.750% notes and the principal amount of outstanding 8.125% notes or outstanding 8.750% notes tendered;

- state that the tender is being made thereby;

- guarantee that, within three New York Stock Exchange trading days after the expiration date of the exchange offer, the letter of transmittal or facsimile thereof properly completed and validly executed, together with certificates representing the outstanding 8.125% notes or outstanding 8.750% notes, or a book-entry confirmation, and any other documents required by the letter of transmittal and the instructions thereto, will be deposited by the eligible institution with the exchange agent; and

- the exchange agent receives the properly completed and validly executed letter of transmittal or facsimile thereof with any required signature guarantees, together with certificates for all outstanding 8.125% notes or outstanding 8.750% notes in proper form for transfer, or a book-entry confirmation, and any other required documents, within three New York Stock Exchange trading days after the date of the notice of guaranteed delivery.

Other Matters. New 8.125% notes and new 8.750% notes will be issued in exchange for outstanding 8.125% notes and outstanding 8.750% notes accepted for exchange only after timely receipt by the exchange agent of:

- certificates for (or a timely book-entry confirmation with respect to) your outstanding 8.125% notes or outstanding 8.750% notes, a properly completed and duly executed letter of transmittal or facsimile thereof with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message; and

- any other documents required by the letter of transmittal.

All questions as to the form of all documents and the validity, including time of receipt, and acceptance of all tenders of outstanding 8.125% notes or outstanding 8.750% notes will be determined by us, in our sole discretion, the determination of which shall be final and binding. ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING 8.125% NOTES OR OUTSTANDING 8.750% NOTES WILL NOT BE CONSIDERED VALID. We reserve the absolute right to reject any or all tenders of outstanding 8.125% notes and outstanding 8.750% notes that are not in proper form or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular outstanding 8.125% notes or outstanding 8.750% notes.

Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding.

Any defect or irregularity in connection with tenders of outstanding 8.125% notes or outstanding 8.750% notes must be cured within the time we determine, unless waived by us. Tenders of outstanding 8.125% notes and outstanding 8.750% notes will not be deemed to have been made until all defects and irregularities have been waived by us or cured. Neither we, the exchange agent nor any other person will be under any duty to give notice of any defects or irregularities in tenders of outstanding 8.125% notes or outstanding 8.750% notes, or will incur any liability to holders for failure to give any such notice.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any new 8.125% notes or new 8.750% notes that you receive will be acquired in the ordinary course of your business;

- you have no arrangement or understanding with any person or entity to participate in the distribution of the new 8.125% notes or new 8.750% notes;

- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the new 8.125% notes or new 8.750% notes;

- if you are a broker-dealer that will receive new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of those new 8.125% notes or new 8.750% notes; and

- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

WITHDRAWAL OF TENDERS

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding 8.125% notes or outstanding 8.750% notes at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at its address set forth below under "-- Exchange Agent," or

- you must comply with the appropriate procedures of DTC's automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the outstanding 8.125% notes or outstanding 8.750% notes to be withdrawn; and

- identify the outstanding 8.125% notes or outstanding 8.750% notes to be withdrawn, including the principal amount of the outstanding 8.125% notes or outstanding 8.750% notes.

If outstanding 8.125% notes or outstanding 8.750% notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn outstanding 8.125% notes or outstanding 8.750% notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal, and our determination shall be final and binding on all parties. We will deem any outstanding 8.125% notes or outstanding 8.750% notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any outstanding 8.125% notes or outstanding 8.750% notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder without cost to the holder or, in the case of outstanding 8.125% notes or outstanding 8.750% notes tendered by book-entry transfer into the exchange

agent's account at DTC according to the procedures described above, such outstanding 8.125% notes or outstanding 8.750% notes will be credited to an account maintained with DTC for the outstanding 8.125% notes or outstanding 8.750% notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn outstanding 8.125% notes or outstanding 8.750% notes by following one of the procedures described under "-- Procedures for Tendering Outstanding Securities" at any time on or prior to the expiration date.

CONDITIONS TO THE EXCHANGE OFFER

We will not be required to accept for exchange, or exchange any new 8.125% notes for, any outstanding 8.125% notes tendered, nor will we be required to accept for exchange, or exchange any new 8.750% notes for, any outstanding 8.750% notes tendered, and we may terminate, extend or amend the exchange offer and may, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer, postpone the acceptance for exchange of outstanding 8.125% notes and outstanding 8.750% notes so tendered if, on or prior to the expiration date of the exchange offer, the following shall have occurred:

- we have determined that the offering and sales under the registration statement, the filing of such registration statement or the maintenance of its effectiveness would require disclosure of or would interfere in any material respect with any material financing, merger, offering or other transaction involving us or would otherwise require disclosure of nonpublic information that could materially and adversely affect us;

- we have determined that the exchange offer would violate any applicable law or interpretation of the staff of the SEC; or

- any legal action has been instituted or threatened that would impair our ability to proceed with the exchange offer.

We previously agreed with holders of our debt not to issue any debt securities that have been registered with the SEC until the earlier of (1) the completion of a transaction or set of transactions the net effect of which is (A) the opportunity for holders of the 8.25% Senior Secured Notes due 2004 of WCG Note Trust and WCG Note Corp., Inc. to tender such notes and (B) the receipt by tendering holders of newly issued Williams senior unsecured notes that have been registered with the SEC or (2) August 1, 2002. Accordingly, we will be unable to consummate this exchange offer until this condition is satisfied. We have filed a registration statement with the SEC which, when declared effective, will allow us to satisfy this condition.

The conditions to the exchange offer are for our sole benefit and may be asserted by us in our sole discretion or may be waived by us, in whole or in part, in our sole discretion, whether or not any other condition of the exchange offer also is waived. We have not made a decision as to what circumstances would lead us to waive any condition, and any waiver would depend on circumstances prevailing at the time of that waiver. Any determination by us concerning the events described in this section shall be final and binding upon all persons.

ALTHOUGH WE HAVE NO PRESENT PLANS OR ARRANGEMENTS TO DO SO, WE RESERVE THE RIGHT TO AMEND, AT ANY TIME, THE TERMS OF THE EXCHANGE OFFER. WE WILL GIVE HOLDERS NOTICE OF ANY AMENDMENTS IF REQUIRED BY APPLICABLE LAW.

CONSEQUENCES OF FAILURE TO EXCHANGE

If you do not exchange your outstanding 8.125% notes for new 8.125% notes or exchange your outstanding 8.750% notes for new 8.750% notes in the exchange offer, your outstanding 8.125% notes and

outstanding 8.750% notes will remain outstanding and will continue to be subject to the currently applicable restrictions on transfer:

- as set forth in the legend printed on the outstanding 8.125% notes and the outstanding 8.750% notes as a consequence of the issuance of the outstanding 8.125% notes or outstanding 8.750% notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and

- otherwise set forth in the offering memorandum distributed in connection with the private offerings of the outstanding 8.125% notes and outstanding 8.750% notes.

In general, you may not offer or sell the outstanding 8.125% notes or outstanding 8.750% notes unless they are registered under the Securities Act, or unless the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding 8.125% notes or outstanding 8.750% notes under the Securities Act. Based on interpretations of the SEC staff, you may offer for resale, resell or otherwise transfer new 8.125% notes and new 8.750% notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that (1) you are not our "affiliate" within the meaning of Rule 405 under the Securities Act, (2) you acquired the new 8.125% notes or new 8.750% notes in the ordinary course of your business and (3) you have no arrangement or understanding with respect to the distribution of the new 8.125% notes or new 8.750% notes to be acquired in the exchange offer. If you tender outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer for the purpose of participating in a distribution of the new 8.125% notes or new 8.750% notes:

- you cannot rely on the applicable interpretations of the SEC; and

- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

The trading market for outstanding 8.125% notes and outstanding 8.750% notes not exchanged in the exchange offer may be significantly more limited than it is at present. Therefore, if your outstanding 8.125% notes and outstanding 8.750% notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged securities. See "Risk Factors -- Risks Arising from the Exchange Offer."

EXCHANGE AGENT

Bank One Trust Company, N.A., has been appointed as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus, the letter of transmittal or any other documents to the exchange agent. You should send certificates for outstanding 8.125% notes, outstanding 8.750% notes, letters of transmittal and any other required documents to the exchange agent addressed as follows:

Bank One Trust Company, N.A.
1 Bank One Plaza
Mail Code IL1-0134
Chicago, Illinois 60670-0134
Attention: Exchanges Floor
Global Corporate Trust Services

TRANSFER TAXES

We will pay all transfer taxes applicable to the transfer and exchange of outstanding 8.125% notes and outstanding 8.750% notes pursuant to the exchange offer. If, however:

- delivery of the new 8.125% notes or new 8.750% notes and/or certificates for outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not exchanged, are to be made to any person other than the record holder of the outstanding 8.125% notes or outstanding 8.750% notes tendered;

- tendered certificates for outstanding 8.125% notes or outstanding 8.750% notes are recorded in the name of any person other than the person signing any letter of transmittal; or

- a transfer tax is imposed for any reason other than the transfer and exchange of outstanding 8.125% notes or outstanding 8.750% notes to us or our order,

then the amount of any such transfer taxes, whether imposed on the record holder or any other person, will be payable by the tendering holder prior to the issuance of the new 8.125% notes or new 8.750% notes.

DESCRIPTION OF THE NEW SECURITIES

We will issue the new 8.125% notes and the new 8.750% notes under an indenture dated as of November 10, 1997, as amended by a seventh supplemental indenture dated March 19, 2002, between us and Bank One Trust Company, N.A., as trustee. The outstanding 8.125% notes and the outstanding 8.750% notes were also issued under this indenture and supplemental indenture. The terms of the outstanding 8.125% notes and the outstanding 8.750% notes are identical in all material respects to the terms of the new 8.125% notes and the new 8.750% notes, respectively, except that the outstanding 8.125% notes and the outstanding 8.750% notes contain terms with respect to transfer restrictions (and therefore are not freely tradeable).

The terms of the 8.125% notes and the 8.750% notes include those set forth in the indenture and those made a part of the indenture by reference to the Trust Indenture Act of 1939. The following description is a summary of the material provisions of the 8.125% notes, the 8.750% notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture and each of the supplemental indentures because it, and not this description, defines your rights as holders of the 8.125% notes and the 8.750% notes. Copies of the indenture and the seventh supplemental indenture are available at the offices of the trustee and have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

TERMS AND CONDITIONS

The new 8.125% notes will mature on March 15, 2012. The new 8.125% notes will bear interest from their date of issuance at the rate of 8.125% per year.

The new 8.750% notes will mature on March 15, 2032. The new 8.750% notes will bear interest from their date of issuance at the rate of 8.750% per year.

Interest will be payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2002, to the person in whose names the new 8.125% notes or the new 8.750% notes are registered at the close of business on the preceding March 1 and September 1, respectively, subject to certain exceptions. Holders of new 8.125% notes and new 8.750% notes will receive interest from March 19, 2002, the date of original issuance of the outstanding 8.125% notes and the outstanding 8.750% notes, or from the date of the last payment of interest on the outstanding 8.125% notes or the outstanding 8.750% notes, whichever is later. Interest on the new 8.125% notes and the new 8.750% notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The new 8.125% notes and the new 8.750% notes will be our unsecured and unsubordinated obligations ranking equally with our other outstanding unsecured and unsubordinated indebtedness.

The new 8.125% notes and the new 8.750% notes will be redeemable, in whole or in part, at any time, at our option, at a redemption price equal to the greater of:

- 100% of the principal amount of the new 8.125% notes or the new 8.750% notes then outstanding to be redeemed, or

- the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, as defined below, plus 37.5 basis points, plus accrued interest thereon to the date of redemption.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the new 8.125% notes or new 8.750% notes to be redeemed.

Upon the payment of the redemption price, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the new 8.125% notes and the new 8.750% notes or portions thereof called for redemption.

There is no provision for a sinking fund applicable to the notes.

We may, from time to time, without the consent of the existing holders of the relevant series of notes, issue additional notes under the indenture having the same ranking and the same interest rate, maturity and other terms as the notes of such series in all respects except the issue date, the issue price and the initial interest payment date. Any additional notes will, together with the applicable notes, constitute a single series of notes under the indenture.

COVENANTS

Liens. The indenture refers to any of our instruments securing indebtedness, such as a mortgage, pledge, lien, security interest or encumbrance on any of our property, as a "mortgage." The indenture further provides that, subject to certain exceptions, we will not, nor will we permit any subsidiary to, issue, assume or guarantee any indebtedness secured by a mortgage unless we provide equal and proportionate security for the senior debt securities, including new 8.125% notes and the new 8.750% notes, we issue under the indenture. Among these exceptions are:

- certain purchase money mortgages;

- certain preexisting mortgages on any property acquired or constructed by us or a subsidiary;

- certain mortgages created within one year after completion of such acquisition or construction;

- certain mortgages created on any contract for the sale of products or services related to the operation or use of any property acquired or constructed within one year after completion of such acquisition or construction;

- mortgages on property of a subsidiary existing at the time it became our subsidiary; and

- mortgages, other than as specifically excepted, in an aggregate amount which, at the time of, and after giving effect to, the incurrence does not exceed five percent of Consolidated Net Tangible Assets, as defined below.

Consolidation, Merger, Conveyance of Assets. The indenture provides, in general, that we will not consolidate with or merge into any other entity or convey, transfer or lease our properties and assets substantially as an entirety to any person, unless:

- the corporation, limited liability company, limited partnership, joint stock company or trust formed by such consolidation or into which we are merged or the person which acquires such assets expressly assumes our obligations under the indenture and the debt securities issued under the indenture; and

- immediately after giving effect to such transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, shall have happened and be continuing.

Event Risk. Except for the limitations on liens described above, none of the indenture, the 8.125% notes nor the 8.750% notes contains any covenants or other provisions designed to afford holders of the new 8.125% notes or the new 8.750% notes protection in the event of a highly leveraged transaction involving us or any restrictions on the amount of additional indebtedness that we may issue.

MODIFICATION OF THE INDENTURE

The indenture provides that we and the trustee may enter into supplemental indentures which conform to the provisions of the Trust Indenture Act of 1939 without the consent of the holders to, in general:

- secure any debt securities;

- evidence the assumption by a successor person of our obligations;

- add further covenants for the protection of the holders;

- cure any ambiguity or correct any inconsistency in the indenture, so long as such action will not adversely affect the interests of the holders;

- establish the form or terms of debt securities of any series; and

- evidence the acceptance of appointment by a successor trustee.

The indenture also permits us and the trustee to:

- add any provisions to the indenture;

- change in any manner the indenture;

- eliminate any of the provisions of the indenture; and

- modify in any way the rights of the holders of debt securities of each series affected.

The above actions require the consent of the holders of at least a majority in principal amount of debt securities of each series issued under the indenture then outstanding and affected. These holders will vote as one class to approve such changes. The 8.125% notes and the 8.750% notes will constitute two different series under the indenture.

Such changes must, however, conform to the Trust Indenture Act of 1939 and we and the trustee may not, without the consent of each holder of outstanding debt securities affected thereby:

- extend the final maturity of the principal of any debt securities;

- reduce the principal amount of any debt securities;

- reduce the rate or extend the time of payment of interest on any debt securities;

- reduce any amount payable on redemption of any debt securities;

- change the currency in which the principal, including any amount in respect of original issue discount, or interest on any debt securities is payable;

- reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;

- alter certain provisions of the indenture relating to debt securities not denominated in U.S. dollars or for which conversion to another currency is required to satisfy the judgment of any court;

- impair the right to institute suit for the enforcement of any payment on any debt securities when due; or

- reduce the percentage in principal amount of debt securities of any series issued under the indenture, the consent of the holders of which is required for any such modification.

EVENTS OF DEFAULT

In general, the indenture defines an event of default with respect to debt securities of any series issued under the indenture as being:

(a) default in payment of any principal of the debt securities of such series, either at maturity, upon any redemption, by declaration or otherwise;

(b) default for 30 days in payment of any interest on any debt securities of such series unless otherwise provided;

(c) default for 90 days after written notice in the observance or performance of any covenant or warranty in the debt securities of such series or the indenture other than

- default in or breach of a covenant which is dealt with otherwise below, or

- if certain conditions are met, if the events of default described in this clause (c) are the result of changes in generally accepted accounting principles; or

(d) certain events of bankruptcy, insolvency or reorganization of us.

In general, the indenture provides that if an event of default described in clauses (a), (b) or (c) above occurs and does not affect all series of debt securities then outstanding, the trustee or the holders of debt securities may then declare the following amounts to be due and payable immediately:

- the entire principal of all debt securities of each series affected by the event of default; and

- the interest accrued on such principal.

Such a declaration by the holders requires the approval of at least 25 percent in principal amount of the debt securities of each series issued under the indenture and then outstanding, treated as one class, which are affected by the event of default.

The indenture also generally provides that if a default described in clause (c) above which is applicable to all series of debt securities then outstanding or certain events of bankruptcy, insolvency and reorganization of us occur and are continuing, the trustee or the holders of debt securities may declare the entire principal of all such debt securities and interest accrued thereon to be due and payable immediately. This declaration by the holders requires the approval of at least 25 percent in principal amount of all debt securities issued under the indenture and then outstanding, treated as one class. Upon certain conditions, the holders of a majority in aggregate principal amount of the debt securities of all such affected series then outstanding may annul such declarations and waive the past defaults. However, the majority holders may not annul or waive a continuing default in payment of principal of, premium, if any, or interest on such debt securities.

The indenture provides that the holders of debt securities issued under the indenture, treated as one class, will indemnify the trustee before the trustee exercises any of its rights or powers under the indenture. This indemnification is subject to the trustee's duty to act with the required standard of care during a default. The holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected, treated as one class, issued under the indenture may direct the time, method and place of:

- conducting any proceeding for any remedy available to the trustee, or

- exercising any trust or power conferred on the trustee.

This right of the holders of debt securities is, however, subject to the provisions in the indenture providing for the indemnification of the trustee and other specified limitations.

In general, the indenture provides that holders of debt securities issued under the indenture may only institute an action against us under the indenture if the following four conditions are fulfilled:

- the holder previously has given to the trustee written notice of default and the default continues;

- the holders of at least 25 percent in principal amount of the debt securities of each affected series (treated as one class) issued under the indenture and then outstanding have both (1) requested the trustee to institute such action and (2) offered the trustee reasonable indemnity;

- the trustee has not instituted such action within 60 days of receipt of such request; and

- the trustee has not received direction inconsistent with such written request by the holders of a majority in principal amount of the debt securities of each affected series (treated as one class) issued under the indenture and then outstanding.

The above four conditions do not apply to actions by holders of the debt securities under the indenture against us for payment of principal or interest on or after the due date provided. The indenture contains a covenant that we will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

We can discharge or defease our obligations under the indenture as set forth below.

Under terms satisfactory to the trustee, we may discharge certain obligations to holders of any series of debt securities issued under the indenture which have not already been delivered to the trustee for cancellation. Such debt securities must also:

- have become due and payable;

- be due and payable by their terms within one year; or

- be scheduled for redemption by their terms within one year.

We may discharge any series of debt securities by irrevocably depositing an amount certified to be sufficient to pay at maturity or upon redemption the principal of and interest on such debt securities. We may make such deposit in cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations, as defined in the indenture.

We may also, upon satisfaction of the conditions listed below, discharge certain obligations to holders of any series of debt securities issued under the indenture at any time ("Defeasance"). Under terms satisfactory to the trustee, we may be released with respect to any outstanding series of debt securities issued under the indenture from the obligations imposed by sections 3.6 and 9.1 of the indenture. These sections contain the covenants described above limiting liens and consolidations, mergers and conveyances of assets. Also, under terms satisfactory to the trustee, we may avoid compliance with these sections without creating an event of default ("Covenant Defeasance"). Defeasance or Covenant Defeasance may be effected only if, among other things:

- we irrevocably deposit with the trustee cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations as trust funds in an amount certified to be sufficient to pay at maturity or upon redemption the principal of and interest on all outstanding debt securities of such series issued under the indenture; and

- we deliver to the trustee an opinion of counsel to the effect that the holders of this series of debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such Defeasance or Covenant Defeasance. Such opinion must further state that these holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if Defeasance or Covenant Defeasance had not occurred. In the case of a Defeasance, this opinion must be based on a ruling of the Internal Revenue Service or

a change in United States federal income tax law occurring after the date of the indenture, since this result would not occur under current tax law.

CONCERNING THE TRUSTEE

The trustee is one of a number of banks with which we and our subsidiaries maintain ordinary banking relationships and with which we and our subsidiaries maintain credit facilities.

GOVERNING LAW

The indenture, the new 8.125% notes and the new 8.750% notes are governed by, and construed in accordance with, the laws of the State of New York.

DEFINED TERMS

Set forth below are some of the definitions of the defined terms used in this prospectus in describing the new 8.125% notes and the new 8.750% notes.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if we obtain fewer than four such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"Consolidated Funded Indebtedness" means the aggregate of all outstanding Funded Indebtedness of Williams and its consolidated subsidiaries, determined on a consolidated basis in accordance with generally accepted accounting principles.

"Consolidated Net Tangible Assets" means the total assets appearing on a consolidated balance sheet of Williams and its consolidated subsidiaries less, in general:

- intangible assets;

- current and accrued liabilities (other than Consolidated Funded Indebtedness and capitalized rentals or leases), deferred credits, deferred gains and deferred income;

- reserves;

- advances to finance oil or natural gas exploration and development to the extent that the indebtedness related thereto is excluded from Funded Indebtedness;

- an amount equal to the amount excluded from Funded Indebtedness representing the "production payment" financing of oil and gas exploration and development; and

- minority stockholder interests.

"Funded Indebtedness" means any indebtedness which matures more than one year after the date the amount of Funded Indebtedness is being determined, less any such indebtedness as will be retired by any deposit or payment required to be made within one year from such date under any prepayment provision, sinking fund, purchase fund or otherwise. Funded Indebtedness does not, however, include indebtedness of Williams or any of its subsidiaries incurred to finance outstanding advances to others to finance oil or natural

gas exploration and development, to the extent that the latter are not in default in their obligations to Williams or such subsidiary. Funded Indebtedness also does not include indebtedness of Williams or any of its subsidiaries incurred to finance oil or natural gas exploration and development through what is commonly referred to as a "production payment" to the extent that Williams or any of its subsidiaries have not guaranteed the repayment of the production payment.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Reference Treasury Dealers" means Lehman Brothers Inc. and J.P. Morgan Securities Inc. and their respective successors and, at our option, additional primary U.S. Government securities dealers ("Primary Treasury Dealers"); provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we shall substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to a maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount equal to the Comparable Treasury Price for such redemption date).

Investors should note that the term "subsidiary," as used in this section describing the notes, refers only to a corporation of which Williams, or another subsidiary or subsidiaries of Williams, own at least a majority of the outstanding securities which have voting power.

BOOK-ENTRY ONLY ISSUANCE -- THE DEPOSITORY TRUST COMPANY

The new 8.125% notes and new 8.750% notes will be evidenced by one or more certificates in registered global form, which will be deposited with, or on behalf of, The Depository Trust Company (DTC) in New York, New York and registered in the name of Cede & Co., DTC's nominee. Except as set forth below, a global note may be transferred, in whole or in part, only to another nominee of DTC or to a successor to DTC or its nominee.

DEPOSITARY PROCEDURES

DTC has advised us that it is a:

- limited-purpose trust company organized under the laws of the State of New York;

- banking organization within the meaning of the laws of the State of New York;

- member of the Federal Reserve System;

- clearing corporation within the meaning of the New York Uniform Commercial Code; and

- clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant also have access to DTC's book-entry system.

Holders of new 8.125% notes and new 8.750% notes may hold their beneficial interests in the securities directly as a participant in DTC or indirectly through organizations that are participants in DTC.

Upon deposit of the global notes with DTC, DTC will credit, on its book-entry registration and transfer system, the accounts of those participants designated by the Exchange Agent with the principal amounts of the global notes held by or through the participants. The records of DTC will show ownership and effect the transfer of ownership of the global notes by its participants. The records of the participants will show ownership and effect the transfer of ownership of the global notes by persons holding beneficial interests in the global notes through them. In the case of beneficial interests held by or though participants in Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, societe anonyme, DTC will credit the accounts of their respective depositaries with the principal amounts of the global notes beneficially owned by or through Euroclear and Clearstream, respectively. These records of DTC will show ownership and effect the transfer of ownership of the global notes by the respective depositaries for Euroclear and Clearstream. The records of these depositaries will show ownership and effect the transfer of ownership of the global notes by Euroclear and Clearstream, respectively. The records of Euroclear and Clearstream will show ownership and effect the transfer of ownership of the global notes by their participants. The records of the participants will show ownership or transfer of ownership of the global notes by persons holding through them.

So long as DTC or its nominee is the registered owner of the global notes, it will be considered the sole owner and holder of the securities for all purposes under the indenture. Except as set forth below, if you own a beneficial interest in global notes, you will not:

- be entitled to have the securities registered in your name;

- receive or be entitled to receive physical delivery of a certificate in definitive form representing the securities; or

- be considered the owner or holder of the securities under the indenture for any purpose, including with respect to the giving of any directions, approvals or instructions to the trustee.

Therefore, if you are required by state law to take physical delivery of the securities in definitive form, you may not be able to own, transfer or pledge beneficial interests in the global notes. In addition, the lack of a physical certificate evidencing your beneficial interests in the global notes may limit your ability to pledge the interests to a person or entity that is not a participant in DTC.

If you own beneficial interests in a global note, you will have to rely on the procedures of DTC and, if you are not a participant in DTC, the procedures of the participant through which you hold your beneficial interests, to exercise your rights as a holder under the indenture. DTC has advised us that it will take any action permitted to be taken by a holder of beneficial interests in the global notes only at the direction of one or more of the participants to whose accounts the interests are credited. We understand that, under existing industry practice, when a beneficial owner of a global note wants to give any notice or take any action that a registered holder is entitled to take, at our request or under the indenture, DTC will authorize the participant to give the notice or take the action, and the participant will authorize its beneficial owners to give the notice or take the action. Accordingly, we and the trustee will treat as a holder anyone designated as such in writing by DTC for purposes of obtaining any consents or directions required under the indenture.

We will pay the principal of, and interest on, the global notes through the trustee or paying agent to DTC or its nominee, as the registered holder of the global notes, in immediately available funds. We expect DTC or its nominee, upon receipt of any payments, to immediately credit each participant's account with payments in amounts proportionate to that participant's beneficial interest as shown on the records of DTC or its nominee. We also expect each participant to pay each owner of beneficial interests in the global notes held through that participant in accordance with standing customer instructions and customary practices. These payments will be the sole responsibility of the participants.

We will not, and the trustee and paying agent will not, assume any responsibility or liability for any aspect of the records relating to payments made on account of or actions taken with respect to the beneficial ownership interests in global notes, or for any other aspect of the relationship between DTC and its participants, Euroclear or Clearstream and their participants, or between the participants and the owners of beneficial interests. We, the trustee and the paying agent may conclusively rely on instructions from DTC for

all purposes. We obtained the above information about DTC, Euroclear and Clearstream and their book-entry systems from sources we believe are reliable, but we take no responsibility for the accuracy of the information.

SETTLEMENT PROCEDURES

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and procedures and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

Secondary market trading between participants of Euroclear and/or Clearstream will occur in the ordinary way in accordance with each of its rules and procedures and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds. The respective depositaries for Euroclear and Clearstream will effect transfers in global notes between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, in accordance with DTC's procedures and will settle them in same-day funds. These depositaries must deliver instructions to Euroclear or Clearstream in accordance with Euroclear's or Clearstream's procedures. If the transfer meets its settlement requirements, Euroclear or Clearstream will instruct its respective depositary to effect final settlement on its behalf by delivering or receiving interests in the global notes in its accounts with DTC and making or receiving payment in accordance with normal procedures of same-day funds settlement applicable to DTC. Participants in Euroclear and Clearstream may not deliver instructions directly to the depositaries for Euroclear and Clearstream.

Because of time zone differences, the accounts of Euroclear and Clearstream participants purchasing beneficial interests in the global notes from DTC participants will be credited with the securities purchased, and the crediting will be reported to the Euroclear and Clearstream participants, on the securities settlement processing day immediately following the DTC settlement processing day. Likewise, the accounts of Euroclear and Clearstream participants selling beneficial interests in the global notes to DTC participants will be credited with the cash received on the DTC settlement processing day, but the cash will not be available until the settlement processing day immediately following the DTC settlement processing day.

Although DTC, Euroclear and Clearstream have agreed to the procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform these procedures. These procedures may be changed or discontinued at any time. We take no responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations.

EXCHANGE OF GLOBAL NOTES FOR CERTIFICATED NOTES

We will exchange beneficial interests in global notes for certificated notes only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for the global notes;

- DTC ceases to be a clearing agency registered under the Exchange Act; or

- we decide at any time not to have the securities represented by global notes and so notify the trustee.

If there is an exchange, we will issue certificated notes in authorized denominations and registered in the names which DTC directs.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material U.S. federal income tax consequences associated with the exchange of outstanding securities for the new securities in the exchange offer. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a

particular holder or to certain holders subject to special treatment under U.S. federal income tax laws. This discussion is limited to persons that hold their outstanding securities and new securities as capital assets. We have not sought, and do not intend to seek, a ruling from the IRS regarding the matters discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF NEW SECURITIES, AS WELL AS THE EFFECTS OF STATE, LOCAL AND NON-U.S. TAX LAWS.

For purposes of this discussion, a holder who is a U.S. person means any one of the following:

- a citizen or resident of the United States;

- a corporation, partnership or other entity created or organized in the United States or under the laws of the United States or of any political subdivision thereof;

- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

- a trust, the administration of which is subject to the primary supervision of the U.S. courts and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or that was in existence on August 20, 1996 and properly elected to continue to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of new securities, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership.

As used herein, the term "U.S. holder" means a holder that is a U.S. person and the term "non-U.S. holder" means a holder that is not a U.S. person.

As used herein, the term "new securities" means the new 8.125% notes and the new 8.750% notes.

As used herein, the term "outstanding securities" means the outstanding 8.125% notes and the outstanding 8.750% notes.

EXCHANGE OF OUTSTANDING SECURITIES FOR NEW SECURITIES

The exchange of the outstanding securities for the new securities issued in the exchange offer will not be treated as an "exchange" for U.S. federal income tax purposes because the new securities issued in the exchange offer will not be considered to differ materially in kind or extent from the outstanding securities. Rather, the new securities issued in the exchange offer received by a holder will be treated as a continuation of the outstanding securities in the hands of such holder. As a result, no gain or loss will be recognized by a holder who exchanges outstanding securities for new securities in the exchange offer and any exchanging holder of outstanding securities will have the same tax basis and holding period in, and income in respect of, the new securities as such holder had in the outstanding securities immediately prior to the exchange.

U.S. HOLDERS

Payments of Interest. Payments of interest on new securities generally will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes).

Disposition of New Securities. Upon the sale or other disposition of a new security, a U.S. holder will generally recognize capital gain or loss equal to the difference between the amount realized on the sale or other disposition and the holder's adjusted tax basis in the new security. For these purposes, the amount realized on the sale or other disposition of a new security does not include any amount received attributable to accrued but unpaid interest, which will be taxable as ordinary income unless previously taken into account. Capital gain or loss on the sale or other disposition of a new security will be long-term capital gain or loss if the holder's holding period in the new security is more than one year at the time of the sale or other disposition.

NON-U.S. HOLDERS

Payments of Interest. Subject to the discussion below concerning information reporting and backup withholding, payments of interest on a new security to any non-U.S. holder will generally not be subject to U.S. federal income tax or withholding tax, provided that all of the following are true:

- the interest on the new security is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States;

- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock;

- the non-U.S. holder is not a "controlled foreign corporation" with respect to which we are a "related person" for U.S. federal income tax purposes; and

- the non-U.S. holder either (A) certifies, on Form W-8BEN (or a permissible substitute or successor form) under penalties of perjury, that it is a non-U.S. holder and provides its name and address, or (B) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the new securities, certifies under penalties of perjury that an IRS Form W-8BEN (or a permissible substitute or successor form) has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

Interest paid to a non-U.S. holder that does not qualify for exemption from withholding tax generally will be subject to withholding of U.S. federal income tax unless the non-U.S. holder of the new securities provides us or our paying agent, as the case may be, with a properly executed:

(i) IRS Form W-8BEN (or a permissible substitute or successor form) claiming an exemption from (or reduction in) withholding under the benefit of an applicable income tax treaty; or

(ii) IRS Form W-8ECI (or a permissible substitute or successor form) stating that the interest paid on new securities is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States.

Non-U.S. holders should consult any applicable income tax treaties, which may provide for exemption from (or reduction in) U.S. withholding and other for other rules different from those described above.

Interest that is effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder will be subject to U.S. federal income tax imposed on a net income on the same basis that applies to U.S. persons generally and, for corporate holders, under certain circumstances, the branch profits tax, but will generally not be subject to withholding. Non-U.S. holders should consult any applicable income tax treaties that may provide for different rules.

Disposition of New Securities. Subject to the discussion below concerning information reporting and backup withholding, any gain realized by a non-U.S. holder on the sale or other disposition of new securities generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business within the U.S. or (ii) the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied.

Gain that is effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder will be subject to U.S. federal income tax imposed on a net income on the same basis that applies to U.S. persons generally and, for corporate holders, under certain circumstances, the branch profits tax, but will generally not be subject to withholding. Non-U.S. holders should consult any applicable income tax treaties that may provide for different rules.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Generally, we must report annually to the IRS and to each holder the amounts of interest that we paid to that holder, and the amount of tax, if any, that we withheld on the interest. This information may also be made available to the tax authorities of a country in which a non-U.S. holder resides.

Under current U.S. Treasury regulations, backup withholding will generally apply to payments to persons that fail to furnish certain required information. Backup withholding generally will not apply to payments made in respect of new securities held by a non-U.S. holder, if the holder properly certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption. Generally, a non-U.S. holder will provide this information on IRS Form W-8BEN.

The payment of proceeds from the disposition of new securities to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting (and possible backup withholding unless the owner certifies as to its non-U.S. status under penalty of perjury or otherwise establishes an exemption). In the case of the payment of proceeds from the disposition of new securities to or through a non-U.S. office of a U.S. broker, or foreign brokers with certain types of relationships to the United States, information reporting, but not backup withholding, will be required on the payment, unless the broker has documentary evidence in its files that the owner is a non-U.S. holder and certain other conditions are met, or the holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts we withhold under the backup withholding rules will be allowed as a refund or credit against such non-U.S. holder's federal income tax liability, provided that the requisite procedures are followed and certain information is provided to the IRS.

PLAN OF DISTRIBUTION

Based on interpretations by the staff of the SEC in no-action letters issued to third parties, we believe that you may transfer new 8.125% notes and new 8.750% notes issued under the exchange offer in exchange for the outstanding 8.125% notes and outstanding 8.750% notes if:

- you acquire the new 8.125% notes or new 8.750% notes in the ordinary course of your business; and

- you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the new 8.125% notes or new 8.750% notes.

Broker-dealers receiving new 8.125% notes or new 8.750% notes in the exchange offer will be subject to a prospectus delivery requirement with respect to resales of the new 8.125% notes and new 8.750% notes.

We believe that you may not transfer new 8.125% notes or new 8.750% notes issued under the exchange offer in exchange for the outstanding 8.125% notes or outstanding 8.750% notes if you are:

- our "affiliate" within the meaning of Rule 405 under the Securities Act;

- a broker-dealer that acquired outstanding 8.125% notes or outstanding 8.750% notes directly from us; or

- a broker-dealer that acquired outstanding 8.125% notes or outstanding 8.750% notes as a result of market-making or other trading activities without compliance with the registration and prospectus delivery provisions of the Securities Act.

To date, the staff of the SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to transactions involving an exchange of securities such as this exchange offer, other than a resale of an unsold allotment from the original sale of the outstanding 8.125% notes or outstanding 8.750% notes, with the prospectus contained in the exchange offer registration statement. We have agreed to permit participating broker-dealers to use this prospectus in connection with the resale of new 8.125% notes and new 8.750% notes.

If you wish to exchange your outstanding 8.125% notes for new 8.125% notes or your outstanding 8.750% notes for new 8.750% notes in the exchange offer, you will be required to make representations to us as described in "The Exchange Offer -- Exchange Terms" and "-- Procedures for Tendering Outstanding Securities -- Other Matters" in this prospectus and in the letter of transmittal. In addition, if you are a broker-dealer who receives new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired by you as a result of market-making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale by you of such new 8.125% notes or new 8.750% notes. See "The Exchange Offer -- Resale of New Securities."

We will not receive any proceeds from any sale of new 8.125% notes or new 8.750% notes by broker-dealers or from any other person. Broker-dealers who receive new 8.125% notes or new 8.750% notes for their own account in the exchange offer may sell them from time to time in one or more transactions:

- in the over-the-counter market;

- in negotiated transactions;

- through the writing of options on the new 8.125% notes or new 8.750% notes or a combination of such methods of resale;

- at market prices prevailing at the time of resale; and

- at prices related to such prevailing market prices or negotiated prices.

Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the purchasers of any new 8.125% notes or new 8.750% notes. Any broker-dealer that resells new 8.125% notes or new 8.750% notes it received for its own account in the exchange offer and any broker or dealer that participates in a distribution of such new 8.125% notes or new 8.750% notes may be deemed to be an "underwriter" within the meaning of the Securities Act. Any profit on any resale of new 8.125% notes or new 8.750% notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offer other than commissions and concessions of any brokers or dealers. We will indemnify holders of the outstanding 8.125% notes and outstanding 8.750% notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act, as provided in the registration rights agreement.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus, excluding historical information, include forward-looking statements -- statements that discuss our expected future results based on current and pending business operations. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements can be identified by words such as "anticipates," "believes," "expects," "planned," "scheduled" or similar expressions. Although we believe these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks that could cause future results to be materially different from the results stated or implied in this prospectus. Additional information about issues that could lead to material changes in performance is contained in our Annual Report on Form 10-K for the year ended December 31, 2001 which is incorporated by reference in this prospectus.

LEGAL MATTERS

The validity of the new 8.125% notes and the new 8.750% notes will be passed upon by William G. von Glahn, Esq., Senior Vice President and General Counsel of Williams. As of March 31, 2002, Mr. von Glahn was the beneficial holder of 402,402 shares of Williams common stock (including 268,010 shares subject to stock options exercisable within 60 days, deferred stock awards and Williams' 401(k) retirement plan). Mr. von Glahn is a participant in Williams' stock option plan and various other employee benefit plans offered to employees of Williams. Skadden, Arps, Slate, Meagher & Flom (Illinois), special tax counsel for Williams, will pass upon the discussion set forth under the heading "Material United States Federal Income Tax Considerations" on page 33.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedule included in our Annual Report on form 10-K for the year ended December 31, 2001, as set forth in their report, which is incorporated by reference in this prospectus. Our consolidated financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Exchange Act. The registration statement of which this prospectus forms a part and these reports, proxy statements and other information can be inspected and copied at the public reference room maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and at 233 Broadway, New York, New York 10005. Copies of these materials may also be obtained from the SEC at prescribed rates by writing to the public reference room maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to this offering. This prospectus, which forms a part of the registration statement, does not contain all the information included in the registration statement and the attached exhibits.

The SEC maintains a World Wide Web site on the Internet at http://www.sec.gov that contains reports, proxy and information statements and other information regarding us. The reports, proxy and information statements and other information about us can be downloaded from the SEC's website and can also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under section 13(a), 13(c), 14 or 15(d) of the Exchange Act until the exchange offer is completed:

- our annual report on Form 10-K for the year ended December 31, 2001;

- our current reports on Form 8-K filed January 4, 2002, January 23, 2002, January 30, 2002, February 5, 2001, February 19, 2002, March 7, 2002 (two filed on this date), March 8, 2002, March 13, 2002 (two

filed on this date), March 20, 2002, March 27, 2002, March 28, 2002 (two filed on this date) and April 1, 2002;

- our current report on Form 8-K/A filed March 20, 2002; and

- our definitive proxy statement on Schedule 14A filed March 29, 2002.

You may request a copy of these filings, at no cost, by writing or calling us at the following address:

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: Corporate Secretary
Telephone: (918) 573-2000

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with any information. You should not assume that the information in this document is current as of any date other than the date on the front page of this prospectus.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Williams, a Delaware corporation, is empowered by Section 145 of the General Corporation Law of the State of Delaware, subject to the procedures and limitations stated therein, to indemnify any person against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with any threatened, pending, or completed action, suit, or proceeding in which such person is made party by reason of their being or having been a director, officer, employee, or agent of Williams. The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise. The By-laws of Williams provide for indemnification by Williams of its directors and officers to the fullest extent permitted by the General Corporation Law of the State of Delaware. In addition, Williams has entered into indemnity agreements with its directors and certain officers providing for, among other things, the indemnification of and the advancing of expenses to such individuals to the fullest extent permitted by law, and to the extent insurance is maintained, for the continued coverage of such individuals.

Policies of insurance are maintained by Williams under which the directors and officers of Williams are insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of actions, suits, or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such directors or officers.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

The following instruments and documents are included as Exhibits to this Registration Statement.

EXHIBIT NUMBER	EXHIBIT
3.1	Restated Certificate of Incorporation, as supplemented (filed as Exhibit 3.1 to the Registration Statement on Form S-3 filed April 4, 2002, file number 333-85540).*
3.2	Restated Bylaws (filed as Exhibit 99.1 to Form 8-K filed January 19, 2000).*
4.1	Form of Senior Debt Indenture between the registrant and Bank One Trust Company, N.A. (formerly The First National Bank of Chicago), as trustee (filed as Exhibit 4.1 to the Registration Statement on Form S-3 filed September 8, 1997, file number 333-35099).*
4.2	Seventh Supplemental Indenture, dated March 19, 2002, between the registrant and Bank One Trust Company, N.A., as trustee.
4.3	Registration Rights Agreement, dated March 19, 2002, among the registrant and the initial purchasers named therein.
5.1	Opinion of William G. von Glahn, Esq., as to the validity of the new 8.125% notes and the new 8.750% notes.
8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), as to certain tax matters.
10.1	Purchase Agreement, dated March 14, 2002, among the registrant and the initial purchasers named therein.
12.1	Statement regarding Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements (filed as Exhibit 12 to the Annual Report on Form 10-K for the year ended December 31, 2001).*
21	Subsidiaries of the registrant (filed as Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2001).*
23.1	Consent of Ernst & Young LLP.

EXHIBIT NUMBER	EXHIBIT
23.2	Consent of William G. von Glahn, Esq. (contained in Exhibit 5.1).
23.3	Consent of Skadden, Arps, Slate, Meagher & Flom (Illinois) (contained in Exhibit 8.1).
24.1	Power of Attorney.
24.2	Certified copy of resolutions authorizing signatures pursuant to Power of Attorney.
25.1	Statement of Eligibility of Bank One Trust Company, N.A., as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and Bank One Trust Company, N.A., as trustee.
99.1	Form of Letter of Transmittal.
99.2	Form of Notice of Guaranteed Delivery.
99.3	Form of Letter to Registered Holders and DTC Participants.
99.4	Form of Letter to Clients.
99.5	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

- ---

* Indicates exhibits incorporated by reference as indicated.

ITEM 22. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tulsa and State of Oklahoma on the 4th day of April, 2002.

THE WILLIAMS COMPANIES, INC.

By: /s/ SUZANNE H. COSTIN

Name: Suzanne H. Costin
Title: Attorney-in-Fact

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ STEVEN J. MALCOLM* Steven J. Malcolm	President, Chief Executive Officer and Director (Principal Executive Officer)	April 4, 2002
/s/ JACK D. MCCARTHY* Jack D. McCarthy	Senior Vice President -- Finance (Principal Financial Officer)	April 4, 2002
/s/ GARY R. BELITZ* Gary R. Belitz	Controller (Principal Accounting Officer)	April 4, 2002
/s/ KEITH E. BAILEY* Keith E. Bailey	Chairman of the Board and Director	April 4, 2002
/s/ HUGH M. CHAPMAN* Hugh M. Chapman	Director	April 4, 2002
/s/ GLENN A. COX* Glenn A. Cox	Director	April 4, 2002
/s/ THOMAS H. CRUIKSHANK* Thomas H. Cruikshank	Director	April 4, 2002
/s/ WILLIAM E. GREEN* William E. Green	Director	April 4, 2002
/s/ IRA D. HALL* Ira D. Hall	Director	April 4, 2002
/s/ W. R. HOWELL* W. R. Howell	Director	April 4, 2002

SIGNATURE	TITLE	DATE
/s/ JAMES C. LEWIS* James C. Lewis	Director	April 4, 2002
/s/ CHARLES M. LILLIS* Charles M. Lillis	Director	April 4, 2002
/s/ GEORGE A. LORCH* George A. Lorch	Director	April 4, 2002
/s/ FRANK T. MACINNIS* Frank T. MacInnis	Director	April 4, 2002
/s/ GORDON R. PARKER* Gordon R. Parker	Director	April 4, 2002
/s/ JANICE D. STONEY* Janice D. Stoney	Director	April 4, 2002
/s/ JOSEPH H. WILLIAMS* Joseph H. Williams	Director	April 4, 2002

*By: /s/ SUZANNE H. COSTIN
Suzanne H. Costin
Attorney-in-Fact
Dated: April 4, 2002

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT
3.1	Restated Certificate of Incorporation, as supplemented (filed as Exhibit 3.1 to the Registration Statement on Form S-3 filed April 4, 2002, file number 333-85540).*
3.2	Restated Bylaws (filed as Exhibit 99.1 to Form 8-K filed January 19, 2000).*
4.1	Form of Senior Debt Indenture between the registrant and Bank One Trust Company, N.A. (formerly The First National Bank of Chicago), as trustee (filed as Exhibit 4.1 to the Registration Statement on Form S-3 filed September 8, 1997, file number 333-35099).*
4.2	Seventh Supplemental Indenture, dated March 19, 2002, between the registrant and Bank One Trust Company, N.A., as trustee.
4.3	Registration Rights Agreement, dated March 19, 2002, among the registrant and the initial purchasers named therein.
5.1	Opinion of William G. von Glahn, Esq., as to the validity of the new 8.125% notes and the new 8.750% notes.
8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom (Illinois), as to certain tax matters.
10.1	Purchase Agreement, dated March 14, 2002, among the registrant and the initial purchasers named therein.
12.1	Statement regarding Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements (filed as Exhibit 12 to the Annual Report on Form 10-K for the year ended December 31, 2001).*
21	Subsidiaries of the registrant (filed as Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2001).*
23.1	Consent of Ernst & Young LLP.
23.2	Consent of William G. von Glahn, Esq. (contained in Exhibit 5.1).
23.3	Consent of Skadden, Arps, Slate, Meagher & Flom (Illinois) (contained in Exhibit 8.1).
24.1	Power of Attorney.
24.2	Certified copy of resolutions authorizing signatures pursuant to Power of Attorney.
25.1	Statement of Eligibility of Bank One Trust Company, N.A., as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and Bank One Trust Company, N.A., as trustee.
99.1	Form of Letter of Transmittal.
99.2	Form of Notice of Guaranteed Delivery.
99.3	Form of Letter to Registered Holders and DTC Participants.
99.4	Form of Letter to Clients.
99.5	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

* Indicates exhibits incorporated by reference as indicated.

EXHIBIT 4.2

SEVENTH SUPPLEMENTAL INDENTURE

DATED AS OF MARCH 19, 2002

BETWEEN

THE WILLIAMS COMPANIES, INC.,

AS ISSUER

AND

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION,

AS TRUSTEE

Table of Contents

SEVENTH SUPPLEMENTAL INDENTURE, dated as of March 19, 2002 (the "SEVENTH SUPPLEMENTAL INDENTURE"), between The Williams Companies, Inc., a corporation duly organized and existing under the laws of the State of Delaware (the "COMPANY"), and Bank One Trust Company, National Association (successor in interest to the First National Bank of Chicago), as trustee (the "TRUSTEE").

WHEREAS, the Company executed and delivered the Indenture dated as of November 10, 1997 (the "BASE INDENTURE") to the Trustee to provide for the issuance from time to time of the Company's senior, unsecured debentures, notes, or other evidences of indebtedness (the "SECURITIES"), to be issued in one or more series as might be determined by the Company under the Base Indenture; and

WHEREAS, pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of two new series of its Securities to be known as its 8.125% Notes due March 15, 2012 (the "8.125% NOTES") and 8.75% Notes due March 15, 2032 (the "8.75% NOTES" and, together with the 8.125% Notes, the "NOTES"), respectively, the form and terms of such Notes and the terms, provisions and conditions thereof to be set forth as provided in the Base Indenture and this Seventh Supplemental Indenture (together, the "INDENTURE"); and

WHEREAS, the Company has requested that the Trustee execute and deliver this Seventh Supplemental Indenture and all requirements necessary to make this Seventh Supplemental Indenture a valid, binding and enforceable instrument in accordance with its terms, and to make the Notes, when executed, authenticated and delivered by the Company, the valid, binding and enforceable obligations of the Company, have been done and performed, and the execution and delivery of this Seventh Supplemental Indenture has been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders thereof, and for the purpose of setting forth, as provided in the Base Indenture, the form and terms of the Notes, the Company covenants and agrees with the Trustee as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Definition of Terms. Unless the context otherwise requires:

(a) a term defined in the Base Indenture has the same meaning when used in this Seventh Supplemental Indenture;

(b) a term defined anywhere in this Seventh Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) headings are for convenience of reference only and do not affect interpretation;

(e) the following terms have the meanings given to them in this Section 1.01(e):

"APPLICABLE PROCEDURES" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear or Clearstream, Luxembourg, as the case may be, that apply to such transfer or exchange.

"CLEARSTREAM, LUXEMBOURG" means Clearstream Banking, societe anonyme, or any successor.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"COMPARABLE TREASURY PRICE" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Company obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"DEFINITIVE NOTE" means a certificated Note in the form of Exhibit A-1 or A-2 hereto, registered in the name of the Holder thereof and issued in accordance with Section 2.07 hereof, except that such Note shall not bear the Global Note Legend.

"DEPOSITARY" has the meaning assigned to it in Section 2.02(a) hereof.

"EUROCLEAR" means Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor.

"EXCHANGE NOTES" means the Notes of the applicable series issued in the Exchange Offer pursuant to Section 2.07(f) hereof; following the exchange of interests in the applicable Rule 144A Global Notes, the Regulation S Global Notes and any Restricted Definitive Note for Exchange Notes pursuant to an effective registration statement, the defined term "Exchange Notes" and "Notes" shall have the same meaning and be entitled to the same rights under the Indenture.

"EXCHANGE OFFER" means the exchange offer by the Company of the Exchange Notes for the Notes of the applicable series issued in reliance upon an exemption from registration under the Securities Act on the date hereof in accordance with the provisions of the Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" means an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form), and all amendments and supplements to such registration statement, including the prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein filed by the Company in accordance with the Registration Rights Agreement in connection with the Exchange Offer.

"GLOBAL NOTES" means, individually and collectively, any of the Notes issued as Registered Global Securities under the Indenture.

"GLOBAL NOTE LEGEND" means the legend set forth in Section 2.4 of the Indenture, which is required to be placed on all Registered Global Securities issued under the Indenture.

"INDIRECT PARTICIPANT" means a Person who holds a beneficial interest in a Global Note through a Participant.

"INDEPENDENT INVESTMENT BANKER" means one of the Reference Treasury Dealers appointed by the Company.

"INITIAL PURCHASER" means each of Lehman Brothers Inc., J.P. Morgan Securities Inc., Banc of America Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Salomon Smith Barney Inc., ABN AMRO Incorporated, Barclays Capital Inc., BMO Nesbitt Burns Corp., BNP Paribas Securities Corp., BNY Capital Markets, Inc., CIBC World Markets Corp., Fleet Securities, Inc., Mizuho International plc, RBC Dominion Securities Corporation, The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., TD Securities (USA) Inc. and UBS Warburg LLC.

"LETTER OF TRANSMITTAL" means the letter of transmittal to be prepared by the Company and sent to all Holders of the applicable series of Notes for use by such Holders in connection with the Exchange Offer.

"NON-U.S. PERSON" means a Person who is not a U.S. Person.

"NOTES" has the meaning assigned to it in the recitals hereto.

"PARTICIPANT" means, with respect to Euroclear or Clearstream, Luxembourg or the Depositary, a Person who has an account with Euroclear or Clearstream, Luxembourg or the Depositary, as the case may be (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream, Luxembourg).

"PARTICIPATING BROKER DEALEr" means the Initial Purchasers and any other broker-dealer which makes a market in the Notes and exchanges Notes in the Exchange Offer for Exchange Notes.

"PRIVATE PLACEMENT LEGEND" means the legend set forth in Section 2.07(f)(i) to be placed on all Notes issued under the Indenture except where otherwise permitted by the provisions of the Indenture.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"REFERENCE TREASURY DEALER" means Lehman Brothers Inc. and J.P. Morgan Securities Inc. and their respective successors and, at the option of the Company, additional primary U.S. Government securities dealers ("PRIMARY TREASURY DEALERS"); provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of March 19, 2002, by and among the Company and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time.

"REGISTRAR" means the registrar, transfer agent and paying agent of the Company in respect of the Notes which shall initially be the Trustee hereunder.

The Company may appoint additional co-registrars or terminate the appointment of an existing registrar at any time.

"REGULATION S" means Regulation S promulgated under the Securities Act or any successor rule or regulation substantially to the same effect.

"REGULATION S GLOBAL NOTE" means a Global Note in the form of Exhibit A-1 or A-2 hereto bearing the Global Note Legend and the legend in Section 2.07(f)(ii) hereof and deposited with or on behalf of the Depositary and registered in the name of the Depositary or its nominee.

"RESTRICTED DEFINITIVE NOTE" means a Definitive Note bearing the Private Placement Legend.

"RESTRICTED PERIOD" means the period beginning on the date hereof and ending on the later of April 28, 2002 and the completion of the distribution of the Notes by the Initial Purchasers.

"RULE 144" means Rule 144 promulgated under the Securities Act, any successor rule or regulation to substantially the same effect or any additional rule or regulation under the Securities Act that permits transfers of restricted securities without registration such that the transferee thereof holds securities that are freely tradeable under the Securities Act.

"RULE 144A" means Rule 144A promulgated under the Securities Act or any successor rule or regulation to substantially the same effect.

"RULE 144A GLOBAL NOTE" means a Global Note in the form of Exhibit A-1 or A-2 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee.

"RULE 903" means Rule 903 promulgated under the Securities Act or any successor rule or regulation substantially to the same effect.

"RULE 904" means Rule 904 promulgated under the Securities Act or any successor rule or regulation substantially to the same effect.

"SEC" means the United States Securities and Exchange Commission.

"SECURITIES ACT" means the United States Securities Act of 1933, as amended.

"SHELF REGISTRATION STATEMENT" means a "shelf" registration statement of the Company filed pursuant to the provisions of the Registration Rights Agreement on an appropriate form under Rule 415 under the Securities Act, or

any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein.

"TREASURY RATE" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"UNRESTRICTED GLOBAL NOTE" means a Global Note (other than a Regulation S Global Note) in the form of Exhibit A-1 or A-2 attached hereto that bears the Global Note Legend, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"UNRESTRICTED DEFINITIVE NOTE" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"U.S. PERSON" means a U.S. Person as defined in Rule 902(o) under the Securities Act.

Section 1.02. Rules of Construction. For all purposes of this Seventh Supplemental Indenture:

(a) capitalized terms used herein without definition shall have the meanings specified in the Indenture;

(b) all references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Seventh Supplemental Indenture; and

(c) the terms "herein", "hereof', "hereunder" and other words of similar import refer to this Seventh Supplemental Indenture.

ARTICLE 2
THE SERIES OF NOTES

Section 2.01. Title Of The Securities. There shall be two series of Securities designated as the "8.125% Notes due March 15, 2012" and the "8.75% Notes due March 15, 2032", respectively.

Section 2.02. Form And Dating.

(a) General.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A-1 or A-2 hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of US$1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Seventh Supplemental Indenture, and the Company and the Trustee, by their execution and delivery of this Seventh Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Seventh Supplemental Indenture, the provisions of this Seventh Supplemental Indenture shall govern and be controlling.

The Company hereby designates The Depository Trust Company as the initial Depositary for the Rule 144A Global Notes and the Regulation S Global Notes. References to the "Depositary" herein shall refer to the Depositary designated in the foregoing sentence.

(a) Rule 144A Global Notes.

Notes of each series offered and sold to QIBs shall be issued initially in the form of Rule 144A Global Notes, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. Each Rule 144A Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time as conclusively reflected in the books and records of the Trustee endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemption. Any change in the principal amount of a Rule 144A Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee as the custodian for the Depositary, at the direction of the Registrar, in accordance with instructions given by the Holder thereof as required by Section 2.07 hereof.

(b) Regulation S Global Notes.

Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Global Note, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, as custodian

for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. During the Restricted Period, interests in the Regulation S Global Note must be held through Euroclear or Clearstream, Luxembourg, if the holders are Participants in such systems, or indirectly through organizations that are Participants in such systems. Following the termination of the Restricted Period, beneficial interests in the Regulation S Global Note may be held, directly or indirectly, in the account of any Participant of the Depositary. Each Regulation S Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time as conclusively reflected in the books and records of the Trustee endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemption. Any change in the principal amount of a Regulation S Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee as the custodian for the Depositary, at the direction of the Registrar, in accordance with instructions given by the Holder thereof as required by Section 2.07 hereof.

Section 2.03. Limitation On Aggregate Principal Amount. The aggregate principal amount of the 8.125% Notes shall not initially exceed US$650,000,000 and the aggregate principal amount of the 8.75% Notes shall not initially exceed US$850,000,000.

Section 2.04. Principal Payment Date. The 8.125% Notes will mature and principal thereof will be due and payable, together with all accrued and unpaid interest thereon, on March 15, 2012. The 8.75% Notes will mature and principal thereof will be due and payable, together with all accrued and unpaid interest thereon, on March 15, 2032.

Section 2.05 . Interest And Interest Dates. Interest on the Notes shall be payable semi-annually on March 15 and September 15 of each year beginning on September 15, 2002 (each, an "INTEREST PAYMENT DATE"); provided, however, that if an Interest Payment Date would otherwise be a day that is not a Business Day, such Interest Payment Date shall be the next succeeding Business Day, and no additional interest shall be paid in respect of such intervening period. The interest rate borne by the Notes will be 8.125% per annum, in the case of the 8.125% Notes, and 8.75% per annum, in the case of the 8.75% Notes, respectively, until the Notes are paid in full subject, however, to the following provisions. In the event that (i) the Exchange Offer Registration Statement is not filed with the SEC on or prior to the 120th calendar day following the original issue of the Notes, (ii) the Exchange Offer Registration Statement has not been declared effective by the SEC on or prior to the 180th calendar day following the original issue of the Notes, (iii) the Exchange Offer is not consummated within 60 calendar days after

the Exchange Offer Registration Statement has been declared effective by the SEC or (iv) a Shelf Registration Statement has not been filed or declared effective on or prior to the applicable dates specified in the Registration Rights Agreement (each such event in clauses (i) through (iv) above and in the next succeeding paragraph below, a "REGISTRATION DEFAULT"), the interest rate borne by the Notes shall be increased by an amount ("ADDITIONAL INTEREST") equal to an additional one quarter of one percent (0.25%) per annum upon the occurrence of each Registration Default, which rate will increase by an additional one quarter of one percent (0.25%) per annum for each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one half of one percent (0.5%) per annum; provided, that Additional Interest shall only be payable in the case a Shelf Registration Statement is not declared effective as aforesaid with respect to Notes that have the right to be included, and whose inclusion has been requested, in the Shelf Registration Statement, in the manner specified in the Registration Rights Agreement. Following the cure of all Registration Defaults applicable to the respective Notes, the accrual of Additional Interest will cease and the interest rate will revert to 8.125% per annum for the 8.125% Notes and 8.75% per annum for the 8.75% Notes.

If a Shelf Registration Statement is declared effective but shall thereafter become unusable by a Holder of the Notes for any reason (whether or not the Company had the right to prevent the Holders from distributing Notes during any period pursuant to the Registration Rights Agreement) without being succeeded within two Business Days by a post-effective amendment thereto which cures the failure and that is immediately declared effective, the Notes included in such Shelf Registration Statement will bear Additional Interest at a rate equal to one quarter of one percent (0.25%) per annum for the first 90-day period (or portion thereof) beginning on the date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional one quarter of one percent (0.25%) per annum at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one-half of one percent (0.5%) per annum. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Notes included therein will be reduced to the applicable original interest rate if the Company is otherwise in compliance with the Registration Rights Agreement with respect to such Notes at that time.

For all purposes of this Seventh Supplemental Indenture, the term interest shall include "Additional Interest".

The amount of interest payable on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The Company shall notify the Trustee within five Business Days after each and every date (an "EVENT Date") on which an event occurs in respect of which Additional Interest is required to be paid. The obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date. Additional Interest shall be paid by depositing with the Trustee for the benefit of the Holders of the Notes entitled to receive such Additional Interest, on or before the applicable Interest Payment Date, immediately available funds in sums sufficient to pay the Additional Interest then due. Additional Interest shall be payable to the Person otherwise entitled to be paid the interest payable on the Notes on such Interest Payment Date.

Section 2.06. Redemption. The Notes will be redeemable in whole or in part, at the option of the Company, at any time at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 37.5 basis points plus accrued interest thereon to the date of redemption.

Section 2.07. Transfer And Exchange.

(a) Transfer and Exchange of Global Notes.

A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if (i) the Company delivers to the Trustee notice from the Depositary stating that it is unwilling or unable to continue to act as a clearing agency for the Notes or is no longer a clearing agency registered under the Exchange Act or other applicable law and, in either case, a successor Depositary is not appointed by the Company within 90 days after the date of such notice; (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or (iii) an Event of Default with respect to the Notes of such series has occurred and has not been cured, disregarding for this purpose any requirement of notice or that the default exist for a specified period of time; provided that in no event shall a Regulation S Global Note be exchanged by the Company for Definitive Notes prior to the expiration of the Restricted Period. Upon the occurrence of any of the preceding events, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes.

The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary in accordance with the provisions of the Indenture and the applicable procedures of the Depositary. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Type of Global Note. Beneficial interests in any Rule 144A Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in a Rule 144A Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Regulation S Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in a Regulation S Global Note; provided, however, that prior to the expiration of the Restricted Period beneficial interests in the Regulation S Global Note may only be held through Euroclear of Clearstream, Luxembourg, if holders are Participants in such systems, or indirectly through organizations that are Participants in such systems. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.07(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.07(b)(i) above, and, subject to any other requirement in this Section 2.07, the transferor of such beneficial interest must deliver to the Registrar: (1) a written order from a Participant or an Indirect Participant given to the Depositary, Euroclear or Clearstream, Luxembourg in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in a Global Note of another type in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B), subject to Section 2.07(a), (1) a written order from a Participant or an Indirect Participant given to the Depositary, Euroclear or Clearstream, Luxembourg in accordance with the Applicable Procedures directing the Depositary, Euroclear or Clearstream, Luxembourg to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be exchanged and (2) instructions given by the Depositary, Euroclear or Clearstream, Luxembourg to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the exchange; provided that in no event shall Definitive

Notes be issued upon the exchange of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained herein and in the Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.07(g) hereof.

(iii) Transfer and Exchange of Beneficial Interests in a Rule 144A Global Note or a Regulation S Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in a Rule 144A Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if (x) the exchange or transfer complies with the requirements of Section 2.07(b)(ii) above and (y):

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal or via the Depositary's book-entry system that it is not (1) a broker- dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company, and such Letter of Transmittal or book- entry system certification shall satisfy the requirements of Section 2.07(b)(ii);

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) such transfer is effected pursuant to Rule 144 of the Securities Act, a letter in the form of Exhibit B with the certification set forth in paragraph 3(a) thereof is completed, and, if the Registrar so requests or the Applicable Procedures so require, an Opinion of Counsel to the effect that the transfer is permitted, and that upon transfer the Notes will not be restricted under the Securities Act, is furnished to the Registrar.

If any such transfer is effected at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Issuer Order in accordance with the Indenture, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests so transferred.

(iv) Transfer of Beneficial Interests to and from Regulation S Global Notes.

(A) Transfer of Beneficial Interests in a Regulation S Global Note Prior to the Termination of the Restricted Period for Beneficial Interests in a Rule 144A Global Note. A beneficial interest in any Regulation S Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in a Rule 144A Global Note, if (x) the transfer complies with the requirements of Section 2.07(b)(ii) above, and (y) the holder of the beneficial interest in the Regulation S Global Note delivers to the Trustee and the Registrar a letter in the form of Exhibit B with the certification set forth in paragraph 1 thereof completed.

(B) Transfer of Beneficial Interests in a Regulation S Global Note Following the Termination of the Restricted Period for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Regulation S Global Note following the termination of the Restricted Period may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, if (x) the transfer complies with the requirements of Section 2.07(b)(ii) above and (y) the holder of the Regulation S Global Note delivers to the Registrar a letter in the form of Exhibit B with the certification set forth in paragraph 3(b) thereof completed.

(C) Transfer of Beneficial Interests in a Rule 144A Global Note for Beneficial Interests in a Regulation S Global Note. A beneficial interest in any Rule 144A Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in a Regulation S Global Note, if (x) the transfer complies with the requirements of Section 2.07(b)(ii) above and (y) the holder of the beneficial interest in the Rule 144A Global Note delivers to the Registrar a letter in the form of Exhibit B with the certification set forth in paragraph 2 thereof completed.

(c) Exchange of Beneficial Interests in Global Notes for Definitive Notes.

(i) Beneficial Interests in Rule 144A Global Notes or Regulation S Global Notes to Unrestricted Definitive Notes. Subject to Section 2.07(a), a holder of a beneficial interest in a Rule 144A Global Note or Regulation S Global Note may exchange such beneficial interest for an Unrestricted Definitive Note only if such exchange is in accordance with the Applicable Procedures, and, if the Registrar so requests or the Applicable Procedures so require, an Opinion of Counsel or other certification to the effect that the exchange is permitted, and that upon exchange the Notes will not be restricted under the Securities Act, is furnished to the Registrar.

(ii) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in an Unrestricted Global Note may, in the circumstances described in Section 2.07(a), exchange such beneficial interest for an Unrestricted Definitive Note.

Any exchange pursuant to this Section 2.07(c) shall satisfy the requirements of Section 2.07(b)(ii). In any such case, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.07(g) hereof, and the Company shall execute and the Trustee, upon receipt of an Issuer Order in accordance with the Indenture, shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Global Note pursuant to this Section 2.07(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered.

(d) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.07(d), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(d).

(i) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a letter in the form of Exhibit B with the certification set forth in paragraph 1 thereof completed,

(B) if the transfer will be made to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or 904 under the Securities Act, then the transferor must deliver a letter in the form of Exhibit B with the certification set forth in paragraph 2 thereof completed; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver an Opinion of Counsel and/or other certification in form and substance acceptable to the Registrar and the Company.

(ii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal, that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Participating Broker Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) such transfer is effected pursuant to Rule 144 of the Securities Act, a letter in the form of Exhibit B with the certification set forth in paragraph 3(a) thereof completed, and, if the Trustee and the Registrar so request or the Applicable Procedures so require, an Opinion of Counsel to the effect that the transfer is permitted, and that upon transfer the Notes will not be restricted under the Securities Act, is furnished to the Trustee and Registrar.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(e) Exchange Offer; Shelf Registration Statement

(i) Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of an Issuer Order in accordance with the Indenture, the Trustee shall authenticate (x) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Rule 144A Global Notes and Regulation S Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (A) they are not broker-dealers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (y) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Rule 144A Global Notes and/or Regulation S Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall, upon receipt of an Issuer Order in accordance with the Indenture, authenticate and deliver to the Persons designated by the Holders of the Restricted Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

(ii) Following the effectiveness of a Shelf Registration Statement the Company shall issue and, upon receipt of an Issuer Order in accordance with the Indenture, the Trustee shall authenticate from time to time (x) one or more Unrestricted Global Notes, or, if there shall be at the time one or more Unrestricted Global Notes outstanding and such increase can be effected in accordance with Applicable Procedures, the Trustee

shall increase or cause to be increased the aggregate principal amount thereof, in each case in an aggregate principal amount equal to the principal amount of the beneficial interests in the Global Notes sold by Persons that certify as to the consummation of such sale under the Shelf Registration Statement in a manner acceptable to the Trustee and the Company and (y) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes sold by Persons that certify as to the consummation of such sale under the Shelf Registration Statement in a manner acceptable to the Trustee and the Company. Concurrently with the issuance of such Unrestricted Global Notes, the Trustee shall cause the aggregate principal amount of the applicable Rule 144A Global Notes and/or the Regulation S Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall, upon receipt of an Issuer Order in accordance with the Indenture, authenticate and deliver to the Persons designated by the Holders of Restricted Definitive Notes so sold Unrestricted Definitive Notes in the appropriate principal amount.

(f) Legends.

The following legends shall appear on the face of all Global Notes and Definitive Notes issued under the Indenture unless specifically stated otherwise in the applicable provisions of the Indenture.

(i) Private Placement Legend. (A) Except as permitted by subparagraph (B) below, each Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE WILLIAMS COMPANIES, INC. THAT (a) THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OTHER THAN (1) TO THE WILLIAMS COMPANIES, INC., (2) IN A TRANSACTION ENTITLED TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (3) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS

INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (4) OUTSIDE THE UNITED STATES IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT, (5) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURIITES ACT, SUBJECT, IN THE CASE OF CLAUSES (2), (4) OR (5), TO THE RECEIPT BY THE WILLIAMS COMPANIES, INC. OF AN OPINION OF COUNSEL OR SUCH OTHER EVIDENCE ACCEPTABLE TO THE WILLIAMS COMPANIES, INC. THAT SUCH RESALE, PLEDGE OR TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURIITES ACT OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND THAT (b) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE OF THE RESALE RESTRICTIONS REFERRED TO HEREIN AND DELIVER TO THE TRANSFEREE (OTHER THAN A QUALIFIED INSTITUTIONAL BUYER) PRIOR TO THE SALE A COPY OF THE TRANSFER RESTRICTIONS APPLICABLE HERETO (COPIES OF WHICH MAY BE OBTAINED FROM THE TRUSTEE).

THE HOLDER OF THIS SECURITY IS ENTITLED TO THE BENEFITS OF A REGISTRATION RIGHTS AGREEMENT (AS SUCH TERM IS DEFINED IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF) AND, BY ITS ACCEPTANCE HEREOF, AGREES TO BE BOUND BY AND TO COMPLY WITH THE PROVISIONS OF SUCH REGISTRATION RIGHTS AGREEMENT.

BECAUSE OF THE FOREGOING RESTRICTIONS, PURCHASERS ARE ADVISED TO CONSULT LEGAL COUNSEL PRIOR TO MAKING ANY RESALE, PELDGE OR TRANSFER OF ANY OF THE NOTES. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

(B) Notwithstanding the foregoing, any Note which is (i) a Regulation S Global Note (and any Note issued in exchange therefor or substitution thereof) after the Restricted Period, (ii) a Note which has been exchanged or transferred pursuant to the Exchange Offer Registration Statement or the Shelf Registration Statement, or (iii) a Note which has been transferred in accordance with Rule 144, provided that in such case an Opinion of Counsel is delivered which states that the Note does not have to bear the Private Placement Legend in the cases where such opinion is required under this Indenture, shall not bear the Private Placement Legend.

(ii) Regulation S Global Note Legend. The Regulation S Global Note shall bear a legend in substantially the following form:

"THE HOLDER OF THIS SECURITY IS ENTITLED TO THE BENEFITS OF A REGISTRATION RIGHTS AGREEMENT (AS SUCH TERMS IS DEFINED IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF) AND, BY ITS ACCEPTANCE HEREOF, AGREES TO BE BOUND BY AND TO COMPLY WITH THE PROVISIONS OF SUCH REGISTRATION RIGHTS AGREEMENT.

DURING THE RESTRICTED PERIOD (AS DEFINED IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF), INTERESTS IN THIS REGULATION S GLOBAL NOTE MAY ONLY BE HELD THROUGH EUROCLEAR AND CLEARSTREAM, LUXEMBOURG."

(g) Cancellation and/or Adjustment of Global Notes.

At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with the Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary to reflect such increase.

The Registrar shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under the Indenture, this Seventh Supplemental Indenture or under applicable law with respect to any transfer or exchange of any interest in any Note (including any transfers between or among Participants, Indirect Participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of the Indenture or this Seventh Supplemental Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

ARTICLE 3
EXECUTION OF NOTES

Section 3.01. Execution of Notes. The Notes shall be executed as follows:

The Notes shall be signed on behalf of the Company by its Chairman of the Board, its President, one of its Vice Presidents or its Treasurer, under its corporate seal which may, but need not, be attested. Such signatures may be the manual or facsimile signatures of the present or any future such officers. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Notes. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Note that has been duly authenticated and delivered by the Trustee.

In case any officer of the Company who shall have signed any of the Notes shall cease to be such officer before the Note so signed shall be authenticated and delivered by the Trustee or disposed of by the Company, such Note nevertheless may be authenticated and delivered or disposed of as though the person who signed such Note had not ceased to be such officer of the Company; and any Note may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Note, shall be the proper officers of the Company, although at the date of the execution and delivery of this Seventh Supplemental Indenture any such person was not such an officer.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.01. Ratification. The Indenture, as supplemented and amended by this Seventh Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

Section 4.02. Counterparts. This Seventh Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed an original; and all such counterparts shall together constitute but one and the same instrument.

Section 4.03. Applicable Procedures. Notwithstanding anything else herein, the Company shall not be required to permit a transfer to a Global Note that is not permitted by the Applicable Procedures.

Section 4.04. Governing Law. THIS SEVENTH SUPPLEMENTAL INDENTURE AND EACH NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF

NEW YORK WITHOUT REGARD TO THE CHOICE OF LAW PRINCIPLES THEREOF.

Section 4.05. Counterparts. The Seventh Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute on and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the day and year first written above.

THE WILLIAMS COMPANIES, INC.,

By: /s/ JAMES G. IVEY

Name: James G. Ivey
Title: Treasurer

BANK ONE TRUST COMPANY, N.A.,
as Trustee

By: /s/ CHRISTOPHER HOLLY

Name: Christopher Holly
Title:

EXHIBIT 4.3

==========

REGISTRATION RIGHTS AGREEMENT

Dated March 19, 2002

among

The Williams Companies, Inc.

and

Lehman Brothers Inc.
J.P. Morgan Securities Inc.
Banc of America Securities LLC
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Salomon Smith Barney Inc.
ABN AMRO Incorporated
Barclays Capital Inc.
BMO Nesbitt Burns Corp.
BNP Paribas Securities Corp.
BNY Capital Markets, Inc.
CIBC World Markets Corp.
Fleet Securities, Inc.
Mizuho International plc
RBC Dominion Securities Corporation
The Royal Bank of Scotland plc
Scotia Capital (USA) Inc.
TD Securities (USA) Inc.
UBS Warburg LLC.

==========

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "AGREEMENT") is made and entered into as of March 19, 2002 between THE WILLIAMS COMPANIES, INC., a corporation duly organized and existing under the laws of the State of Delaware (the "COMPANY"), and Lehman Brothers Inc., J.P. Morgan Securities Inc., Banc of America Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Salomon Smith Barney Inc., ABN AMRO Incorporated, Barclays Capital Inc., BMO Nesbitt Burns Corp., BNP Paribas Securities Corp., BNY Capital Markets, Inc., CIBC World Markets Corp., Fleet Securities, Inc., Mizuho International plc, RBC Dominion Securities Corporation, The Royal Bank of Scotland plc, Scotia Capital (USA) Inc., TD Securities (USA) Inc. and UBS Warburg LLC (the "INITIAL PURCHASERS").

This Agreement is made pursuant to the Purchase Agreement dated March 14, 2002, among the Company and the Initial Purchasers (the "PURCHASE AGREEMENT"), which provides for the purchase by the Initial Purchasers of an aggregate of $650,000,000 principal amount of the Company's 8.125% Notes due March 15, 2012 and $850,000,000 principal amount of the Company's 8.75% Notes due March 15, 2032 (collectively, the "SECURITIES"). The Company hereby agrees to provide to the Initial Purchasers and its direct and indirect transferees the registration rights set forth in this Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

Section 1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 ACT" shall mean the Securities Act of 1933, as amended from time to time.

"1934 ACT" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"CLOSING DATE" shall have the meaning set forth in the Purchase Agreement.

"COMPANY" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"EXCHANGE DATES" shall have the meaning set forth in Section 2(a) hereof.

"EXCHANGE OFFER" shall mean the exchange offer by the Company of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION" shall mean a registration under the 1933 Act effected pursuant to Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall mean a registration statement on Form S-4 (or, if applicable, on another appropriate form) relating to an offering of Exchange Securities pursuant to an Exchange Offer and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"EXCHANGE SECURITIES" shall mean securities issued by the Company under the Indenture containing terms identical to the Securities (except that the Exchange Securities will not contain restrictions on transfer or terms regarding the payment of additional interest as provided in Section 2(d) hereof) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"HOLDER" shall mean each Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holder" shall include Participating Broker-Dealers (as defined in Section 4(a).

"INDENTURE" shall mean the Indenture relating to the Securities dated as of November 10, 1997, as supplemented by a First Supplemental Indenture dated as of September 8, 2000, a Second Supplemental Indenture dated as of December 7, 2000, a Third Supplemental Indenture, dated as of December 20, 2000, a Fourth Supplemental Indenture dated as of January 17, 2001, a Fifth Supplemental Indenture dated as of January 17, 2001, a Sixth Supplemental Indenture dated as of January 14, 2002 and a Seventh Supplemental Indenture dated as of March 19, 2002, each between the Company and Bank One Trust Company, N.A., as trustee, as the same may be amended from time to time in accordance with the terms thereof.

"INITIAL PURCHASERS" shall have the meaning set forth in the preamble.

"MAJORITY HOLDERS" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or any of its affiliates (as such term is defined in Rule 405 under the 1933 Act)

(other than the Initial Purchasers or subsequent Holders of Registrable Securities if such subsequent Holders are deemed to be such affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"PERSON" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"PROSPECTUS" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including all material incorporated by reference therein.

"PURCHASE AGREEMENT" shall have the meaning set forth in the preamble.

"REGISTRABLE SECURITIES" shall mean the Securities; provided, however, that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities shall have been declared effective under the 1933 Act and such Securities shall have been exchanged for Exchange Securities pursuant to an Exchange Offer Registration Statement or disposed of pursuant to a Shelf Registration Statement, as applicable, (ii) when such Securities have been sold to the public pursuant to Rule 144 under the 1933 Act or are saleable pursuant to Rule 144(k) under the 1933 Act (or any similar provisions then in force, but not Rule 144A) or (iii) when such Securities shall have ceased to be outstanding.

"REGISTRATION EXPENSES" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Exchange Securities or Registrable Securities), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus (including any amendments or supplements thereto), any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all rating agency fees, (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees

and disbursements of the Trustee and its counsel, (vii) the fees and disbursements of counsel for the Company and, in the case of a Shelf Registration Statement, the reasonable fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Initial Purchasers) and (viii) the fees and disbursements of the independent public accountants of the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding fees and expenses of counsel to the underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"REGISTRATION STATEMENT" shall mean any registration statement of the Company that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the Securities and Exchange Commission.

"SHELF REGISTRATION" shall mean a registration effected pursuant to Section 2(b) hereof.

"SHELF REGISTRATION STATEMENT" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2(b) of this Agreement which covers all of the Registrable Securities (but no other securities unless approved by the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities that are covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"TRUSTEE" shall mean the trustee with respect to the Securities under the Indenture.

"UNDERWRITER" shall have the meaning set forth in Section 3 hereof.

"UNDERWRITTEN REGISTRATION" or "UNDERWRITTEN OFFERING" shall mean a registration in which Registrable Securities are sold to an Underwriter for reoffering to the public.

Section 2. Registration Under The 1933 Act.

(a) To the extent not prohibited by any applicable law or applicable interpretation of the Staff of the SEC, the Company shall use its reasonable best efforts (1) to cause to be filed an Exchange Offer Registration Statement within 120 days following the Closing Date covering the offer by the Company to the Holders to exchange all of the Registrable Securities for an equal aggregate principal amount of Exchange Securities and (2) to cause such Exchange Offer Registration Statement to become effective within 180 days following the Closing Date. The Company shall use commercially reasonable efforts to have the Exchange Offer Registration Statement remain effective until the closing of the Exchange Offer. The Company shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement has been declared effective by the SEC and use its commercially reasonable efforts to have the Exchange Offer consummated not later than 60 days after such effective date. The Company shall commence the Exchange Offer by mailing the related exchange offer Prospectus and accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law:

(i) that the Exchange Offer is being made pursuant to this Registration Rights Agreement and that all Registrable Securities validly tendered will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 business days from the date such notice is mailed) (the "EXCHANGE DATES");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Registration Rights Agreement;

(iv) that Holders electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the enclosed letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice prior to the close of business on the last Exchange Date; and

(v) that Holders will be entitled to withdraw their election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice a telegram, telex, facsimile transmission or letter (to be received no later than the Exchange Date) setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing his election to have such Securities exchanged.

As soon as practicable after the last Exchange Date, the Company shall:

(i) accept for exchange Registrable Securities or portions thereof validly tendered and not validly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and mail to each Holder, an Exchange Security equal in principal amount to the principal amount of the Registrable Securities surrendered by such Holder.

The Company shall use its commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the 1933 Act, the 1934 Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the Staff of the SEC. The Company shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right, subject to applicable law, to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

If, during the period the Exchange Offer Registration Statement is effective, an event occurs which makes any statement made in such Exchange Offer Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Exchange Offer Registration Statement or Prospectus in order to make the statements therein not misleading, the Company shall use commercially reasonable efforts to prepare and file with the SEC a supplement or post-effective amendment to the Exchange Offer Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company agrees to notify the Holders to suspend the exchange of the Registrable Securities as promptly as practicable after the occurrence of such an event, and the Holders hereby agree to suspend such exchange until the Company has amended or supplemented the Prospectus to correct such misstatement or omission.

(b) If (i) the Company determines that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be consummated as soon as practicable after the last Exchange Date because it would violate

applicable law or the applicable interpretations of the Staff of the SEC, (ii) the Exchange Offer is not for any other reason consummated within 240 days following the Closing Date or (iii) in the written opinion of counsel for the Holders a Shelf Registration Statement must be filed and a Prospectus must be delivered by any Holder in connection with any reoffering or resale of Registrable Securities, the Company shall use commercially reasonable efforts to (x) file with the SEC within 120 days following such determination, date or notice of such opinion of counsel is given to the Company a Shelf Registration Statement providing for the resale by the Holders (other than those who fail to comply with the paragraph immediately following clause (p) of Section 3) of all of their Registrable Securities and (y) cause such Shelf Registration Statement to become effective within 60 days thereafter. If the Company is required to file a Shelf Registration Statement solely as a result of the matters referred to in clause (iii) of the preceding sentence, the Company shall use commercially reasonable efforts to file and have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to reoffers and resales of Registrable Securities held by the Holders who must deliver the related Prospectus. The Company agrees to use commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the expiration of the period referred to in Rule 144(k) with respect to the Registrable Securities or such shorter period that will terminate when all of the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be Registrable Securities within the meaning of this Agreement. The Company further agrees to supplement or amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the 1933 Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by a Holder with respect to information relating to such Holder, and to use commercially reasonable efforts to cause any such amendment to become effective and such Shelf Registration Statement to become usable as soon as thereafter practicable. The Company agrees to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) or Section 2(b). Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not

be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that, if, after it has been declared effective, the offering of Registrable Securities pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference until the offering of Registrable Securities pursuant to such Registration Statement may legally resume. If:

(i) the Exchange Offer Registration Statement and, if a Shelf Registration Statement is required hereby, the Shelf Registration Statement is not filed with the SEC on or prior to the date specified for such filing in Section 2(a) and Section 2(b), respectively,

(ii) the Exchange Offer Registration Statement and, if a Shelf Registration Statement is required hereby, the Shelf Registration Statement is not declared effective on or prior to the date specified for such effectiveness in Section 2(a) and Section 2(b), respectively,

(iii) the Exchange Offer is not consummated on or prior to the date specified in Section 2(a), or

(iv) the Company has filed, and the SEC has declared effective, the Shelf Registration Statement and at any time prior to the expiration of the period referred to in Rule 144(k) with respect to the Registrable Securities, other than after all the Registrable Securities have been disposed of under the Shelf Registration Statement or cease to be Registrable Securities, the Shelf Registration Statement ceases to be effective, or fails to be usable for its intended purpose without being succeeded within two business days by a post-effective amendment which cures the failure and that is itself immediately declared effective,

then in the case of any failure set forth in (i) - (iv) above, the per annum interest rate on the Securities will increase by 0.25% until the date that the relevant failure is remedied; provided that during any period in which any such failure has continued for more than 90 days, the per annum interest rate on the Securities will increase by an additional 0.25%. In no event will the additional interest on the Securities exceed 0.50% per annum.

(e) Without limiting the remedies available to the Holders, the Company acknowledges that any failure by the Company to comply with its obligations under Section 2(a) and Section 2(b) hereof may result in material irreparable injury to the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may

obtain such relief as may be required to specifically enforce the Company's obligations under Section 2(a) and Section 2(b) hereof.

Section 3. Registration Procedures.

In connection with the obligations of the Company with respect to the Registration Statements pursuant to Section 2(a) and Section 2(b) hereof, the Company shall as expeditiously as possible (provided, however, that the Company shall not be required to take actions more promptly than required by Section 2(a) and Section 2(b)):

(a) prepare and file with the SEC a Registration Statement on the appropriate form under the 1933 Act, which form (x) shall be selected by the Company and (y) shall, in the case of a Shelf Registration, be available for the resale of the Registrable Securities by the selling Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith, and use commercially reasonable efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the period specified herein and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the 1933 Act; to keep each Prospectus current during the period described under Section 4(3) and Rule 174 under the 1933 Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for the Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or Underwriter may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Securities; and, subject to Section 3(i), the Company consents to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the selling Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by, and in the manner described in, such Prospectus or any amendment or supplement thereto in accordance with applicable law;

(d) use commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement is declared effective by the SEC, to cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc. and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (ii) file any general consent to service of process or (iii) subject itself to taxation in any such jurisdiction if it is not so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities, counsel for the Holders and counsel for the Initial Purchasers promptly and, if requested by any such Holder or counsel, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of any request by the SEC or any state securities authority for amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects or if the Company receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (v) of the happening of any event during the period a Shelf Registration Statement is effective which makes any statement made in such Shelf Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Shelf Registration Statement or Prospectus in order to make the statements therein not misleading and (vi) of any determination by the Company that a post-effective amendment to a Registration Statement would be appropriate;

(f) make every commercially reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders may reasonably request at least two business days prior to the closing of any sale of Registrable Securities;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e)(v) hereof, use commercially reasonable efforts to prepare and file with the SEC a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company agrees to notify the Holders to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and the Holders hereby agree to suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and have furnished copies of the amended or supplemented Prospectus to the Holders or until the Company notifies the Holders that the sale of the Registrable Securities may be resumed;

(j) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus, provide copies of such document to the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) and make such of the representatives of the Company as shall be reasonably requested by the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders or their counsel) available for discussion of such document, and shall not at any time file or make any amendment to the Shelf Registration Statement, any Prospectus or any amendment of or supplement to a Shelf Registration Statement or a Prospectus, of which the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) shall not have previously been advised and furnished a copy or to which the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders or their counsel) shall reasonably object;

(k) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of the applicable Registration Statement;

(l) cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use commercially reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities, any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Holders, at reasonable times and in a reasonable manner, all financial and other records, pertinent documents and properties of the Company, and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with a Shelf Registration Statement;

(n) use commercially reasonable efforts to cause the Exchange Securities to continue to be rated by two nationally recognized statistical rating organizations (as such term is defined in Rule 436(g)(2) under the 1933 Act), if the Registrable Securities have been rated;

(o) if reasonably requested by any Holder of Registrable Securities covered by a Registration Statement, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company has received notification of the matters to be incorporated in such filing; and

(p) In the case of a Shelf Registration, enter into such customary agreements and take all such other actions in connection therewith (including those reasonably requested by the Holders of a majority of the Registrable Securities being sold thereunder) in order to expedite or facilitate the disposition of such Registrable Securities thereunder including, but not limited to, pursuant to an Underwritten Offering and in such connection, (i) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of the Company and its

subsidiaries, the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to the Company (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders of a majority in principal amount of the Registrable Securities being sold under such Shelf Registration Statement, such Underwriters and their respective counsel) addressed to each selling Holder and Underwriter of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (iii) obtain "cold comfort" letters from the independent certified public accountants of the Company (and, if necessary, any other certified public accountant of any subsidiary of the Company, or of any business acquired by the Company for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder and Underwriter of Registrable Securities, such letters to be in customary form and covering matters the type customarily covered in "cold comfort" letters in connection with underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold under such Shelf Registration Statement or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of the Company made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration Statement, the Company may require each Holder of Registrable Securities to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company may from time to time reasonably request in writing. No Holder of Registrable Securities may include its Registrable Securities in such Shelf Registration Statement unless and until such Holder furnishes such information to the Company. Each Holder including Registrable Securities in a Shelf Registration Statement shall agree to furnish promptly to the Company all information regarding such Holder and the proposed distribution by such Holder of such Registrable Securities required to make the information previously furnished to the Company by such Holder not materially misleading.

In connection with an Exchange Offer Registration, each Holder exchanging Securities for Exchange Securities shall be required to represent that (i) the Exchange Securities are being obtained in the ordinary course of business of the Person receiving such Exchange Securities, whether or not such Person is a Holder, (ii) neither such Holder nor any such other Person has an arrangement or understanding with any Person to participate in the distribution of Exchange Securities, (iii) other than as set forth in Section 4, if the Holder is not a broker-dealer, or is a broker-dealer but will not receive Exchange Securities for its own

account in exchange for Securities, neither the Holder nor any such other Person is engaged in or intends to participate in a distribution of the Exchange Securities and (iv) neither the Holder nor any such other Person is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act or, if such Person is an "affiliate", that such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, and, if so directed by the Company, such Holder will deliver to the Company (at its expense) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, the Company shall extend the period during which the Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. The Company may give such notice so long as there are no more than 90 days during any 365 day period in which such suspensions are in effect.

The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers (the "UNDERWRITERS") that will administer the offering will be selected by the Majority Holders of the Registrable Securities included in such offering; provided that such Underwriters shall be reasonably acceptable to the Company.

Section 4. Participation Of Brokers-dealers In Exchange Offer.

(a) The parties hereto understand that the Staff of the SEC has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "PARTICIPATING BROKER-DEALER"), may be deemed to be an "underwriter" within the meaning of the 1933 Act and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

The Company understands that it is currently the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the 1933 Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the 1933 Act.

(b) In light of the above, notwithstanding the other provisions of this Agreement, the Company agrees that the provisions of this Agreement as they relate to a Shelf Registration shall also apply to an Exchange Offer Registration to the extent, and with such reasonable modifications thereto as may be, reasonably requested by the Initial Purchasers or by one or more Participating Broker-Dealers, in each case as provided in clause (ii) below, in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above; provided that:

(i) the Company shall not be required to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(i), for a period exceeding 180 days after the last Exchange Date (as such period may be extended pursuant to the penultimate paragraph of Section 3 of this Agreement) and Participating Broker-Dealers shall not be authorized by the Company to deliver and shall not deliver such Prospectus after such period in connection with the resales contemplated by this Section 4; and

(ii) the application of the Shelf Registration procedures set forth in Section 3 of this Agreement to an Exchange Offer Registration, to the extent not required by the positions of the Staff of the SEC or the 1933 Act and the rules and regulations thereunder, will be in conformity with the reasonable request in writing to the Company by the Initial Purchasers or with the reasonable request in writing to the Company by one or more broker-dealers who certify to the Initial Purchasers and the Company in writing that they anticipate that they will be Participating Broker-Dealers; and provided further that, in connection with such application of the Shelf Registration procedures set forth in Section 3 to an Exchange Offer Registration, the Company shall be obligated (x) to deal only with one entity representing the Participating Broker-Dealers, which shall be Lehman Brothers Inc. unless it elects not to act as such representative, (y) to pay the fees and expenses of only one counsel representing the Participating Broker-Dealers, which shall be counsel to the Initial Purchasers unless such counsel elects not to so act and (z) to cause to be

delivered only one, if any, "cold comfort" letter with respect to the Prospectus in the form existing on the last Exchange Date and with respect to each subsequent amendment or supplement, if any, effected during the period specified in clause (i) above.

(c) The Initial Purchasers shall have no liability to the Company, other than as Holders in accordance with the terms hereof, or to any other Holder with respect to any request that they may make pursuant to Section 4(b)above.

Section 5. Indemnification And Contribution.

(a) The Company agrees to indemnify and hold harmless the Initial Purchasers, each Holder and each Person, if any, who controls the Initial Purchasers or any Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, or is under common control with, or is controlled by, any Initial Purchaser or any Holder (each, a "PARTICIPANT"), from and against all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by a Participant in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all documents incorporated therein by reference, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) forming a part of such Registration Statement, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Initial Purchasers or any Holder furnished to the Company in writing by the Initial Purchasers or any selling Holder expressly for use therein; provided that the foregoing indemnity with respect to any Prospectus shall not inure to the benefit of any Holder from whom the Person asserting any such losses, claims, damages or liabilities purchased Securities, or any Person controlling such Holder, if a copy of the final Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent by, or delivered on behalf of, such Holder to such Person at or prior to the written confirmation of the sale of the Securities to such Person, if the final Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability. In connection with any Underwritten Offering permitted by Section 3, the Company will also enter into an underwriting

agreement pursuant to which the Company will agree to indemnify the Underwriters, if any, selling brokers, dealers and similar securities industry professionals participating in such Underwritten Offering, their officers and directors and each Person who controls such Persons (within the meaning of the 1933 Act and the 1934 Act) to substantially the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement for such Underwritten Offering.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Initial Purchasers and the other selling Holders, and each of their respective directors, officers who sign the Registration Statement and each Person, if any, who controls the Company, the Initial Purchasers and any other selling Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act to the same extent as the foregoing indemnity from the Company to the Initial Purchasers and the Holders pursuant to Section Section 5(a), but only with reference to information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to either paragraph (a) or paragraph (b) above, such Person (the "indemnified party") shall promptly notify the Person against whom such indemnity may be sought (the "indemnifying party") in writing, but the failure to so promptly notify the indemnifying party shall not negate the obligation to so indemnify such indemnified party unless the indemnifying party is materially prejudiced by such delay, and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and, in the opinion of counsel to the indemnifying party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (a) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Initial Purchasers and all Persons, if any, who control the Initial Purchasers within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act,

(b) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each Person, if any, who controls the Company within the meaning of either such Section and (c) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Holders and all Persons, if any, who control any Holders within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In any such case involving the Initial Purchasers and Persons who control the Initial Purchasers, such firm shall be designated in writing by the Initial Purchasers. In any such case involving the Holders and such Persons who control any Holders, such firm shall be designated in writing by the Majority Holders. In all other cases, such firm shall be designated by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but, if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which such indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraph (a) or paragraph (b) of this Section 5 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Holders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Holders' respective obligations to contribute pursuant to this Section 5(d) are several in proportion to the respective principal amount of Registrable Securities of the applicable Holder that were registered pursuant to a Registration Statement.

(e) The Company and each Holder agree that it would not be just or equitable if contribution pursuant to this Section 5(e) were determined by pro rata

allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 5(d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 5(d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, no Holder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which Registrable Securities were sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchasers, any Holder or any Person controlling the Initial Purchasers or any Holder, or by or on behalf of the Company, its officers or directors or any Person controlling the Company, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

Section 6. Miscellaneous.

(a) No Inconsistent Agreements. The Company has not entered into, and on or after the date of this Agreement will not enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; provided, however, that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof or this paragraph (b) shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Purchase Agreement; and (ii) if to the Company, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c).

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders of Registrable Securities; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Securities. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers shall have no liability or obligation to the Company with respect to any failure by any other Holder to comply with, or any breach by any other Holder of, any of the obligations of such Holder under this Agreement.

(e) Purchases and Sales of Securities. The Company shall not, and shall use its commercially reasonable efforts to cause its affiliates (as defined in Rule 405 under the 1933 Act) not to, purchase and then resell or otherwise transfer any Securities.

(f) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, shall be bound by all of the

terms and provisions of this Agreement and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. This Agreement shall be governed by the laws of the State of New York.

(j) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE WILLIAMS COMPANIES, INC.

By: /s/ STEVEN J. MALCOLM

Name: Steven J. Malcolm
Title: President and Chief Executive Officer

Confirmed and accepted as of
the date first above written:

LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.

By: Lehman Brothers Inc.

Acting on behalf of itself and the several Initial Purchasers

By: /s/ MARTIN GOLDBERG

Name: Martin Goldberg
Title:

EXHIBIT 5.1

April 4, 2002

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172

Gentlemen:

You have requested me, as General Counsel of The Williams Companies, Inc., to render my opinion regarding certain matters in connection with the preparation and filing of a registration statement by The Williams Companies, Inc. (the "Company") on Form S-4 (the "Registration Statement"), with respect to (i) the issuance by the Company of up to $650,000,000 aggregate amount of its 8.125% notes due March 15, 2012 (the "10 Year Exchange Securities"), registered pursuant to the Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), in exchange for up to $650,000,000 aggregate amount of the Company's outstanding 8.125% notes due March 15, 2012 (the "10 Year Outstanding Securities") and (ii) the issuance by the Company of up to $850,000,000 aggregate amount of its 8.75% notes due March 15, 2032 (the "30 Year Exchange Securities"), registered pursuant to the Registration Statement under the Securities Act, in exchange for up to $850,000,000 aggregate amount of the Company's outstanding 8.75% notes due March 15, 2032 (the "30 Year Outstanding Securities"). The Exchange Securities are to be issued as senior indebtedness of the Company under an indenture between the Company and Bank One Trust Company, as trustee, as amended by the Seventh Supplemental Indenture dated as of March 19, 2002 (the "Indenture"). The 10 Year Exchange Securities and the 30 Year Exchange Securities shall be referred to herein collectively as the "Exchange Securities."

I am familiar with the Certificate of Incorporation and the By-laws, each as amended to date, of the Company and have examined the originals, or copies certified or otherwise identified to my satisfaction, of corporate records of the Company, statutes and other instruments and documents as the basis for the opinion expressed herein. In addition, I am, or someone under my supervision is, familiar with the forms of the Indenture and the Exchange Securities.

Based upon the foregoing, and having regard for such legal considerations as I have deemed relevant, I am of the opinion that, when the Registration Statement has become effective under the Securities Act and the Exchange Securities have been duly executed and authenticated in accordance with the Indenture and issued as contemplated in the Registration Statement, the Exchange Securities will constitute valid and legally binding obligations of the Company, subject to bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general equitable principles.

In rendering the opinion expressed above, with your consent and without independent investigation or verification of any kind, I have also assumed the following: (i) each of the parties (other than the Company) to the Exchange Securities and the Indenture (collectively, the "Transaction Documents") has been duly formed or incorporated (as applicable), is validly existing and is in good standing under the laws of the jurisdiction of its formation or incorporation (as applicable), and is qualified to do business in each

jurisdiction in which such qualification is required; (ii) each of the parties (other than the Company) to the Transaction Documents has the power and authority and full legal right to execute and deliver each of the Transaction Documents to which it is a party, and to perform its obligations thereunder; (iii) the execution, delivery and performance of the Transaction Documents by the parties (other than the Company) thereto have been duly authorized by all requisite action on the part of each such Person; (iv) each party (other than the Company) to the Transaction Documents has the power, authority and full legal right to execute, deliver and perform the Transaction Documents to which it is a party; (v) the Transaction Documents have been duly executed and delivered by each of the parties thereto; (vi) each Transaction Document is the legal, valid and binding obligation of each party thereto (other than the Company), enforceable against such other party in accordance with its terms; (vii) at or prior to the time of the delivery of any such Exchange Securities, the Registration Statement has been declared effective; (viii) the authorization of such Exchange Securities will not have been modified or rescinded and there will not have occurred any change in law affecting the validity or enforceability of such Exchange Securities; and (ix) neither the issuance and delivery of such Exchange Securities, nor the compliance by the Company with the terms of such Exchange Securities, will violate any applicable law or will result in a violation of any provision of any instrument or agreement then binding upon the Company, or any restriction imposed by any court or governmental body having jurisdiction over the Company.

I am a member of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York, the federal laws of the United States of America and the General Corporation Law of the State of Delaware.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to the undersigned appearing under the caption "Legal Matters" in the related Prospectus.

Very truly yours,

/s/ WILLIAM G. VON GLAHN

William G. von Glahn

EXHIBIT 8.1

[Letterhead of Skadden, Arps, Slate, Meagher & Flom (Illinois)]

April 4, 2002

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172

Re: Form S-4 Registration Statement of The Williams Companies, Inc.

Ladies and Gentlemen:

We have acted as counsel to The Williams Companies, Inc., a Delaware corporation ("Williams"), in connection with the preparation and filing of the Registration Statement on Form S-4 (the "Registration Statement"), regarding Williams' offer to exchange outstanding 8.125% notes due March 15, 2012 and outstanding 8.750% notes due March 15, 2032 for registered new 8.125% notes due March 15, 2012 and registered new 8.750% notes due March 15, 2032, respectively, with the Securities and Exchange Commission (the "Commission"), which includes the Prospectus of Williams (the "Prospectus").

In connection with our opinion, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of the Registration Statement, the Prospectus and such other documents, certificates, and records as we have deemed necessary or appropriate as a basis for the opinion set forth below. We have assumed that the exchange offer will be consummated in accordance with the Registration Statement and the Prospectus.

For purposes of our opinion, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter

documents. We have assumed that such documents, certificates, and records are duly authorized, valid, and enforceable.

In rendering our opinion, we have relied upon statements and representations of officers and other representatives of Williams and we have assumed that such statements and representations are and will continue to be correct without regard to any qualification as to knowledge or belief. In addition, our opinion is subject to the qualifications, conditions and assumptions in the discussion set forth under the heading "Material United States Federal Income Tax Considerations" in the Registration Statement.

Our opinion is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and such other authorities as we have considered relevant, all as in effect on the date of this opinion and all of which are subject to change or differing interpretations (possibly with retroactive effect). No assurance can be given that the IRS could not successfully assert a position contrary to this opinion.

Based upon and subject to the foregoing, we are of the opinion that the discussion set forth under the heading "Material United States Federal Income Tax Considerations" in the Registration Statement is a fair and accurate summary of the material United States federal income tax consequences applicable to a United States person that exchanges some or all of its outstanding 8.125% notes due March 15, 2012 or outstanding 8.750% notes due March 15, 2032, solely for, respectively, registered new 8.125% notes due March 15, 2012 or registered new 8.750% notes due March 15, 2032.

Except as set forth above, we express no other opinion. This opinion is expressed as of the date hereof, and we disclaim any undertaking to advise you of subsequent changes relating to matters considered herein or of any subsequent changes in applicable law.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not

thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or 1933, as amended, or the rules and regulations of the Commission.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom (Illinois)

EXHIBIT 10.1

THE WILLIAMS COMPANIES, INC.

$650,000,000 8.125% Notes due March 15, 2012
850,000,000 8.75% Notes due March 15, 2032

PURCHASE AGREEMENT

March 14, 2002

LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.
As representatives (the "REPRESENTATIVES")
of the several Initial Purchasers named herein
c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019

Ladies and Gentlemen:

The Williams Companies, Inc., a Delaware corporation (the "COMPANY"), proposes to issue and sell to the several initial purchasers (the "INITIAL PURCHASERS" or "YOU") listed in Schedule I hereto (i) $650,000,000 aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "8.125% NOTES") and (ii) $850,000,000 aggregate principal amount of its 8.75% Notes due March 15, 2032 (the "8.75% NOTES" and, together with the 8.125% Notes, the "NOTES") to be issued pursuant to the provisions of a Seventh Supplemental Indenture dated as of March 19, 2002 to the Indenture dated as of November 10, 1997, as amended (together, the "INDENTURE") between the Company and Bank One Trust Company, N.A., as Trustee (the "TRUSTEE").

The Company hereby confirms its agreement with the Initial Purchasers to issue and sell all of the Notes to the Initial Purchasers, on the terms and conditions set forth herein.

The Notes will be offered and sold to the Initial Purchasers, without registration under the Securities Act of 1933, as amended (the "SECURITIES ACT"), in reliance upon an exemption

from the registration requirements of the Securities Act. The Company has prepared and delivered to the Initial Purchasers a preliminary confidential offering memorandum dated March 14, 2002 (together with all documents incorporated by reference therein, the "PRELIMINARY OFFERING MEMORANDUM") and has prepared and will deliver to the Initial Purchasers on the date hereof or as soon as practicable thereafter, copies of a final confidential offering memorandum dated March 14, 2002 (together with all amendments and supplements thereto, and together with all documents incorporated by reference therein, the "FINAL OFFERING MEMORANDUM"), relating to the Notes. The Preliminary Offering Memorandum and the Final Offering Memorandum are sometimes collectively referred to herein as the "OFFERING MEMORANDUM." All references in this Agreement to the Offering Memorandum include the documents incorporated by reference therein. The Company hereby confirms that it has authorized the use of the Offering Memorandum in connection with the offer and sale of the Notes.

The Company understands that the Initial Purchasers propose to make offerings ("EXEMPT RESALES") of the Notes only on the terms and in the manner set forth in the Offering Memorandum and herein, as soon as the Initial Purchasers deem advisable after this Agreement has been executed and delivered, only to (i) persons in the United States whom the Initial Purchasers reasonably believe to be "qualified institutional buyers" ("QIBS") as defined in Rule 144A under the Securities Act, as such rule may be amended from time to time ("RULE 144A"), in transactions meeting the requirements of Rule 144A and (ii) non-U.S. persons to whom offers and sales of the Notes may be made in reliance upon Regulation S under the Securities Act ("REGULATION S"), in offshore transactions meeting the requirements of Regulation S.

The holders of the Notes will be entitled to the benefits of a Registration Rights Agreement, in substantially the form attached as Exhibit A hereto with such changes as shall be agreed to by the parties hereto (the "REGISTRATION RIGHTS AGREEMENT"), pursuant to which the Company will file a registration statement (the "REGISTRATION STATEMENT") with the Securities and Exchange Commission (the "COMMISSION") registering the Notes or the Exchange Notes referred to in the Registration Rights Agreement under the Securities Act.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to and agrees with the Initial Purchasers that:

(a) each document filed or to be filed pursuant to the Securities Exchange Act of 1934 (the "EXCHANGE ACT") and incorporated by reference in the Offering Memorandum complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations thereunder;

(b) the Offering Memorandum (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) as of its date did not, and as of the Closing Date (as defined in Section 4) will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading;

(c) Ernst & Young LLP, who have reported upon the audited financial statements and schedules included or incorporated by reference in the Offering Memorandum, are independent auditors within the meaning of the rules and regulations promulgated under the Securities Act;

(d) this Agreement has been duly authorized, executed and delivered by the Company;

(e) the Company and each of its significant subsidiaries (as defined in Rule 1-02 of Regulation S-X under the Securities Act) (each, a "Significant Subsidiary" and collectively, "Significant Subsidiaries") have been duly incorporated (in the case of each Significant Subsidiary which is a corporation) or otherwise validly formed and are validly existing in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, except where failure to have such qualifications would not, singly or in the aggregate, have a material adverse effect on the consolidated financial position, results of operation, business or prospects of the Company and its subsidiaries, taken as a whole, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged;

(f) the Company has an authorized capitalization as set forth in the Offering Memorandum and all of the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable and conform to the description thereof contained in the Offering Memorandum; and all of the issued shares of capital stock of each Significant Subsidiary (in the case of each Significant Subsidiary which is a corporation) or membership interests (in the case of each Significant Subsidiary which is a limited liability corporation) have been duly authorized and validly issued and are fully paid and non-assessable and (except for directors' qualifying shares and as disclosed in the Offering Memorandum) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(g) the Indenture and each supplement or amendment thereto to the date hereof and any supplement thereto, officer's certificate or board resolution setting forth the terms of the Notes, have been duly authorized by the Company. The Indenture constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law); and the Indenture conforms in all material respects to the description thereof in the Offering Memorandum;

(h) the Notes have been duly authorized by the Company. When duly executed, authenticated, issued and delivered in the manner provided for in the Indenture and sold to and paid for by the Initial Purchasers as provided herein, the Notes will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and will be enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law); and the Notes conform in all material respects to the description thereof in the Offering Memorandum;

(i) the Registration Rights Agreement has been duly authorized by the Company. When duly executed and delivered by the Company, the Registration Rights Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally, except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except as rights to indemnification and contribution thereunder may be limited by applicable law;

(j) since the date of the Offering Memorandum (or any amendment or supplement thereto), except as otherwise stated therein or contemplated thereby, there has not been (A) any material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise), earnings, business or operations of the Company and its subsidiaries, taken as a whole, whether

or not arising in the ordinary course of business and (B) any transaction entered into by the Company or any of its subsidiaries, other than in the ordinary course of business, that is material to the Company and its subsidiaries, taken as a whole;

(k) the execution and delivery by the Company of this Agreement, the issuance and delivery of the Notes, the consummation by the Company of the transactions contemplated herein and compliance by the Company with the terms of this Agreement, the Registration Rights Agreement, the Notes and the Indenture have been duly authorized by all necessary corporate action on the part of the Company and do not and will not result in any violation of the charter or by-laws of the Company or any of its subsidiaries, and do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries under (A) any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it is bound or to which any of its properties is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that could not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, or business of the Company and its subsidiaries, taken as a whole) or (B) assuming the accuracy of the representations, warranties and agreements of the Initial Purchasers in Section 2 hereof and Section 7 hereof, any existing applicable law, rule, regulation, judgment, order or decree or determination of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective properties;

(l) except as disclosed in the Offering Memorandum (or any amendment or supplement thereto), there is no action, suit or proceeding before or by any government, governmental instrumentality or court, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries that is required to be disclosed in the Offering Memorandum or that could reasonably be expected to result in any material adverse change in the condition (financial or otherwise), earnings or business of the Company and its subsidiaries, taken as a whole, or that could reasonably be expected to materially and adversely affect the properties or assets of the Company and its subsidiaries, taken as a whole, or that could reasonably be expected to adversely affect the consummation of the transactions contemplated in this Agreement or the Registration Rights Agreement;

(m) the Company and its subsidiaries each owns or possesses all governmental licenses, permits, certificates, consents, orders, approvals and other authorizations (collectively, "GOVERNMENTAL LICENSES") necessary to own or lease, as

the case may be, and to operate its properties and to carry on its business as presently conducted, except where the failure to possess such Governmental Licenses could not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings or business of the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to revocation or modification of any such Governmental Licenses;

(n) there has been no storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes or hazardous substances by the Company or any of its Significant Subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or its Significant Subsidiaries in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit or which would require remedial action under any applicable law, ordinance, rule, regulation, order, judgment, decree or permit, except for any violation or remedial action which would not have, or could not be reasonably likely to have, singularly or in the aggregate with all such violations and remedial actions, a material adverse effect on the consolidated financial position, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole; there has been no material spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any toxic wastes, medical wastes, solid wastes, hazardous wastes or hazardous substances due to or caused by the Company or any of its Significant Subsidiaries or with respect to which the Company or any of its Significant Subsidiaries have knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have or would not be reasonably likely to have, singularly or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumpings and releases, a material adverse effect on the consolidated financial position, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole; and the terms "hazardous wastes", "toxic wastes", "hazardous substances" and "medical wastes" shall have the meanings specified in any applicable local, state, federal and foreign laws or regulations with respect to environmental protection.

(o) the Company is not, and after the consummation of the transactions contemplated herein will not be, an "investment company" under the Investment Company Act of 1940, as amended;

(p) the consolidated balance sheets of the Company as of December 31, 2001 and the related consolidated statements of operations, cash flows and capitalization for the fiscal year then ended, reported on by Ernst & Young LLP and

incorporated by reference in the Offering Memorandum, fairly present, in all material respects, the financial position of the Company and its consolidated subsidiaries as of such date and its consolidated results of operations and cash flows for such fiscal year in conformity with generally accepted accounting principles;

(q) assuming the accuracy of the representations, warranties and agreements of the Initial Purchasers in Section 2 hereof and Section 7 hereof, no authorization, approval, consent or license of any government, governmental instrumentality or court, domestic or foreign (except such as have been obtained, or as may be required under the securities or blue sky laws of the various states in which the Notes will be offered or sold), is required for the valid authorization, issuance, sale and delivery of the Notes or for the execution, delivery or performance of this Agreement, the Registration Rights Agreement, the Indenture and the Notes by the Company;

(r) assuming the accuracy of the representations, warranties and agreements of the Initial Purchasers in Section 2 hereof and Section 7 hereof, compliance by the Initial Purchasers with the offering and transfer procedures and restrictions described in the Offering Memorandum and the accuracy of the representations and warranties deemed to be made in the Offering Memorandum by purchasers to whom the Initial Purchasers initially resell the Notes, it is not necessary in connection with the offer, sale and delivery of the Notes to the Initial Purchasers or in connection with the initial resale of the Notes by the Initial Purchasers in the manner contemplated by this Agreement and the Offering Memorandum to register the Notes under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended;

(s) the Company, its affiliates and any person acting on its or their behalf have not, directly or indirectly:

(i) engaged in any directed selling efforts (within the meaning of Regulation S under the Securities Act) with respect to the Notes;

(ii) offered or sold the Notes in the United States by any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; or

(iii) sold, solicited any offers to buy or offered to sell or otherwise negotiated in respect of any security in a manner that would require registration of the Notes under the Securities Act in accordance with the theory of "integration" referred to in Regulation D under the Securities Act;

(t) the Notes satisfy the requirements of Rule 144A(d)(3) under the Securities Act; and

(u) the Offering Memorandum contains the information regarding the Company specified in, and which satisfies the requirements of, Rule 144A(d)(4) under the Securities Act.

2. REPRESENTATIONS AND WARRANTIES OF THE INITIAL PURCHASERS. Each Initial Purchaser hereby severally, and not jointly, represents and warrants to, and agrees with, the Company that: such Initial Purchaser (i) is an institutional "accredited investor" (as defined in Regulation D) with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the Notes; (ii) is not acquiring the Notes with a view to any distribution thereof that would violate the Securities Act or the securities or blue sky laws of any state or country, (iii) has received all information it considers necessary to evaluate the merits and risks of an investment in the Notes, (iv) has not and will not solicit offers for, or offer to sell, the Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and (vi) will offer or sell the Notes only: (x) in offshore transactions in accordance with Rule 903 of Regulation S; provided that commencing on the date hereof and continuing through a 40-day restricted period commencing on the Closing Date (as defined below): (1) no such offer or sale will be made to a U.S. person or for the account or benefit of a U.S. person (other than such Initial Purchaser); and (2) such Initial Purchaser, if selling Securities to a dealer or a person receiving a selling concession, fee or other remuneration in respect of the Securities, will send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales as are set forth in this Section 2; the terms used in this clause (x) are being used as used in Regulation S; or (y) to persons whom it reasonably believes to be QIBs within the meaning of Rule 144A under the Securities Act in transactions meeting the requirements of Rule 144A.

Each Initial Purchaser hereby severally, and not jointly, represents and warrants to and agrees with, the Company that (i) it has not offered or sold and, before the expiration of the period of six months from the closing date for the Notes, will not offer or sell any Notes to persons in the United Kingdom, except to those persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has only communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("the FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 12(1) of the FSMA does not apply to the Company

and (c) it has complied and will comply with all applicable provisions of the FSMA, with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each Initial Purchaser hereby severally, and not jointly, represents and warrants to and agrees with, the Company that it has not offered or sold, and will not offer or sell, directly or indirectly, any of the Notes in or to residents of Japan or to any persons for reoffering or resale, directly or indirectly in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of the Securities and Exchange Law available thereunder and in compliance with the other relevant laws and regulations of Japan.

3. AGREEMENTS TO SELL AND PURCHASE. The Company hereby agrees to sell to the Initial Purchasers, and each Initial Purchaser, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the aggregate principal amount of each series of Notes set forth opposite such Initial Purchaser's name in Schedule I hereto at 98.452% of their aggregate principal amount, in the case of the 8.125% Notes, and 97.751% of their aggregate principal amount, in the case of 8.75% Notes, plus, in each case, accrued interest, if any, from March 19, 2002 to the date of payment and delivery.

4. PAYMENT AND DELIVERY. Payment for the Notes shall be made by wire or other immediately available funds to the order of the Company at 10:00 A.M., New York time, on March 19, 2002, or at such other time on the same or such other date, as shall be agreed by the parties and designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

Payment for the Notes shall be made against delivery to you of the one or more global notes representing the Notes (each, a "GLOBAL NOTE") registered in the name of Cede & Co. with any transfer taxes payable in connection with the transfer of the Notes to the Initial Purchasers duly paid. Such Global Notes shall be made available to the Representatives for inspection and packaging on the business day in New York City preceding the Closing Date.

5. CONDITIONS TO THE INITIAL PURCHASERS' OBLIGATIONS. The obligations of the Initial Purchasers are subject to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been received of (A) any intended or potential downgrading or (B) any review or possible change that does not indicate the direction of a possible

change, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Act; and

(ii) there shall not have occurred any material adverse change, or any development which could reasonably be expected to result in a prospective material adverse change, in the financial condition, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Offering Memorandum.

(b) The Representatives shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in clauses (a)(i) and (ii) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Representatives shall have received on the Closing Date an opinion of William G. von Glahn, Esq., Senior Vice President and General Counsel of The Williams Companies, Inc., dated the Closing Date, to the effect that:

(i) the Company and each of its Significant Subsidiaries have been duly incorporated (in the case of each Significant Subsidiary that is a corporation) or otherwise validly formed and are validly existing in good standing under the laws of their respective jurisdictions of organization, have the requisite power and authority to own their property and to conduct their business as described in the Offering Memorandum and are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, except to the extent such failure to be qualified or in good standing would not have a material adverse effect on the consolidated financial position, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole, and have all power and authority necessary to own or hold their respective properties and conduct the businesses in which they are engaged as described in or contemplated by the Offering Memorandum; and all of the issued shares of capital stock of each Significant Subsidiary (in the case of each Significant Subsidiary that is a

corporation) or membership interests (in the case of each Significant Subsidiary that is a limited liability corporation) have been duly and validly authorized and issued and are fully paid, non-assessable and (except for directors' qualifying shares and as disclosed in the Offering Memorandum) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(ii) the Company and its subsidiaries hold all franchises, certificates of public convenience and necessity, consents, authorizations, approvals, orders, permits, licenses and easements necessary to own, operate and maintain its properties as described in the Offering Memorandum, subject only to such defects, irregularities, restrictions, conditions and other matters as are described in the Offering Memorandum or which do not materially affect the right of the Company or its subsidiaries to own, operate and maintain its properties and to conduct its business as described therein, and has made all declarations and filings with, all federal, state, local and other governmental authorities, and all courts or other tribunals, necessary to conduct its business in the manner described in the Offering Memorandum, except to the extent that the lack of such consents, authorizations, approvals, orders, certificates or permits would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(iii) neither the Company nor any of its Significant Subsidiaries (i) is in violation of its charter or by-laws, (ii) is in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any material respect of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business except, in case of (ii) and (iii), for such defaults, violations, or failures to obtain such authorizations or permits that have not had or are not reasonably expected to have, a material adverse effect on the consolidated financial condition, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole;

(iv) the Indenture has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and authentication

by the Trustee, is a valid and binding agreement of the Company enforceable in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(v) the Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture, and delivered to and paid for by the Initial Purchasers, will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and will be entitled to the benefits of the Indenture;

(vi) this Agreement has been duly authorized, executed and delivered by the Company;

(vii) the Registration Rights Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and except as rights to indemnification and contribution thereunder may be limited by applicable law;

(viii) assuming compliance by the Initial Purchasers with the offering and transfer procedures and restrictions described in the Offering Memorandum, the accuracy of the representations and warranties deemed to be made in the Offering Memorandum by purchasers to whom the Initial Purchasers initially resell the Notes and that purchasers to whom the Initial Purchasers initially resell the Notes receive a copy of the Offering Memorandum prior to such sale, no consent, approval, authorization or order of, or qualification with, any governmental body or agency having jurisdiction over the Company is required for the performance by the Company of its obligations under this Agreement, the Registration Rights Agreement, the Notes and the Indenture, except such as have been obtained or as may be required by the securities or blue sky laws of the various states in connection with the offer and sale of the Notes;

(ix) The execution, delivery and performance by the Company of its obligations under this Purchase Agreement, the Registration Rights Agreement, the Notes and the Indenture will not contravene any provision of applicable law

or the Certificate of Incorporation or the By-laws of the Company or any material agreement or other material instrument binding upon the Company;

(x) the statements in the Offering Memorandum under the caption "Description of the Notes," insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly summarize in all material respects the matters referred to therein;

(xi) after due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company is a party or to which any of the properties of the Company is subject that are required to be described in the documents incorporated by reference in the Offering Memorandum and are not so described or of any statutes, regulations, contracts or other documents that are required to be described in the Offering Memorandum that are not described as required;

(xii) the Company is not, and following the consummation of the transactions contemplated herein will not be, an "investment company", as such term is defined in the Investment Company Act of 1940, as amended;

(xiii) such counsel has no reason to believe that (except for financial statements and schedules and related notes thereto, and the other financial, statistical and accounting data as to which such counsel need not express any belief) the Offering Memorandum as of its date or as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(xiv) assuming the accuracy of the representations of the Initial Purchasers contained in Section 2 hereof and compliance by the Initial Purchasers with the covenants set forth in Section 7 hereof, compliance by the Initial Purchasers with the offering and transfer procedures and restrictions described in the Offering Memorandum and the accuracy of the representations and warranties deemed to be made in the Offering Memorandum by purchasers to whom the Initial Purchasers initially resell the Notes, it is not necessary in connection with the offer, sale and delivery of the Notes in the manner contemplated in this Agreement to register the Notes under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

The opinion of William G. von Glahn, Esq. described in paragraph (c) above shall be rendered to the Initial Purchasers at the request of the Company and shall so state therein.

(d) The Representatives shall have received on the Closing Date an opinion of Davis Polk & Wardwell, counsel for the Initial Purchasers, dated the Closing Date, covering the matters referred to in subparagraphs (iv), (v), (vi), (vii), (xiii) and (xiv) of paragraph (c) above.

With respect to subparagraph (xiii) of paragraph (c) above, Davis Polk & Wardwell may state that their belief is based upon their participation in the preparation of the Offering Memorandum (excluding any documents incorporated by reference therein) and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified. Davis Polk & Wardwell may also state that they have relied solely on the opinion of William G. von Glahn, Esq., as to matters relating to the regulation of the Company by the Federal Energy Regulatory Commission.

The opinion of William G. von Glahn, Esq. described in paragraph (c) above shall be rendered to the Initial Purchasers at the request of the Company and shall so state therein.

(e) The Representatives shall have received on the Closing Date a letter, in form and substance satisfactory to the Representatives, from Ernst & Young LLP, independent auditors, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Offering Memorandum.

6. COVENANTS OF THE COMPANY. In further consideration of the agreements of the Initial Purchasers herein contained, the Company, its affiliates and any person acting on its or their behalf, covenants with the Initial Purchasers as follows:

(a) The Company, its affiliates and any person acting on its or their behalf will not, directly or indirectly:

(i) offer or sell the Notes in the United States by any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act;

(ii) sell, solicit any offers to buy or offer to sell or otherwise negotiate in respect of any security in a manner that would require registration of the Notes under the Securities Act in accordance with the theory of "integration" referred to in Regulation D under the Securities Act; or

(iii) engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes.

(b) While any Note remains outstanding, during any period in which the Company is not subject to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, and its securities are not exempt from Section 12(g) thereof pursuant to Rule 12g3-2(b) thereunder, the Company will upon request make available to the Initial Purchaser, to any holder of Notes, and to any prospective purchaser designated by any holder of Notes, the information regarding the Company specified in, and satisfying the requirements of, Rule 144A(d)(4) under the Securities Act.

(c) To prepare the Offering Memorandum in a form approved by the Representatives, and before amending or supplementing the Offering Memorandum, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to prepare any such proposed amendment or supplement to which the Representatives reasonably object.

(d) To furnish the Initial Purchasers with copies of the Offering Memorandum and each amendment or supplement thereto, in such quantities as you may from time to time reasonably request, and if, at any time prior to the consummation of any Exempt Resale, any event shall have occurred as a result of which the Offering Memorandum as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Offering Memorandum is delivered, not misleading, or, if for any other reason it shall be necessary or desirable, during such same period to amend or supplement the Offering Memorandum, to notify you and upon your request to prepare and furnish without charge to the Initial Purchasers as many copies as you may from time to time reasonably request of the amended Offering Memorandum or supplement to the Offering Memorandum which will correct such statement or omission or effect such compliance.

(e) During the period beginning on the date hereof and continuing to and including the Closing Date, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company or warrants to purchase debt securities of the Company

substantially similar to the Notes (other than the Notes), without the prior written consent of the Representatives.

(f) The Company will arrange for the qualification of the Notes for sale under the laws of such states in the United States as the Representatives designate and will continue such qualifications in effect so long as required for the resale of the Notes by the Initial Purchasers; provided that the Company will not be required to qualify as a foreign corporation or to file a general consent to service of process in any such state.

(g) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement becomes effective or is terminated, to pay all costs, expenses, fees and taxes incident to and in connection with: (i) the preparation, printing, filing and distribution of the Offering Memorandum and all amendments and supplements thereto (but not, however, legal fees and expenses of your counsel incurred in connection therewith), (ii) the preparation, printing (including, without limitation, word processing and duplication costs) and delivery of this Agreement, the Registration Rights Agreement, the Indenture, any Blue Sky Memoranda and any other agreements, memoranda, correspondence and other documents printed and delivered in connection herewith and with the Exempt Resales (but not, however, legal fees and expenses of your counsel incurred in connection with the foregoing), (iii) the issuance and delivery by the Company of the Notes, (iv) the qualification of the Notes for offer and sales under the securities or Blue Sky laws of the several states (including, without limitation, the reasonable fees and disbursements of your counsel relating to such registration or qualification), (v) furnishing such copies of the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested by the Representatives for use in connection with the initial Exempt Resales, (vi) the preparation of certificates for the Notes including, without limitation, printing and engraving, (vii) the fees, disbursements and expenses of the Company's counsel and accountants, (viii) all fees and expenses (including fees and expenses of counsel) of the Company in connection with the approval of the Notes by DTC for "book-entry" transfer, (ix) the fees, disbursements and expenses of the Trustee and the Trustee's counsel and (x) the performance by the Company of its other obligations under this Agreement to the extent not provided for above.

(h) To take all reasonable action necessary to enable Standard & Poor's Rating Service, a division of McGraw Hill, Inc. ("S&P"), and Moody's Investor Service, Inc. ("Moody's") to provide their respective ratings of the Notes.

(i) To cooperate with the Initial Purchasers and use its reasonable best efforts to permit the Notes to be eligible for clearance and settlement through the facilities of The Depository Trust Company.

7. COVENANTS OF THE INITIAL PURCHASERS.

(a) Each of the Initial Purchasers severally acknowledges that the Notes have not been and will not be registered under the Securities Act and agrees that it, its affiliates and any person acting on its or their behalf:

(i) will not offer or sell the Notes in the United States by any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act;

(ii) will not engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes and will comply with the offering restrictions requirements of Regulation S; and

(iii) will offer or sell the Notes only (1) in offshore transactions in accordance with Rule 903 of Regulation S in the manner described in Section 2 hereof or (2) to persons whom it reasonably believes to be QIBs within the meaning of Rule 144A under the Securities Act in transactions meeting the requirements of Rule 144A.

8. INDEMNITY AND CONTRIBUTION.

(a) The Company agrees to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by such Initial Purchaser or any such controlling person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum or any amendment thereof (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to

such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representatives expressly for use therein; provided however that the foregoing indemnity agreement with respect to the Preliminary Offering Memorandum shall not inure to the benefit of any Initial Purchaser, or any person controlling such Initial Purchaser, if the person asserting any such losses, claims, damages or liabilities purchased Notes, and a copy of the Final Offering Memorandum (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Initial Purchaser to such person, at or prior to the written confirmation of the sale of the Notes to such person, and if the Final Offering Memorandum (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities.

(b) Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers, its employees, its agents and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to the Initial Purchasers, but only with reference to information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representatives expressly for use in the Offering Memorandum or any amendments or supplements thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either paragraph (a) or (b) of this Section 8, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impeded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying party shall not be

liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in paragraph (a) or (b) of this Section 8 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand from the offering and sale of the Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Notes shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Notes (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Initial Purchasers, in each case as set forth in the Offering Memorandum, bears to the aggregate initial offering price of the Notes. The relative fault of the Company on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Initial

Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and the Initial Purchasers agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) of this Section 8. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or appearing as a third party witness in any such action or claim. Notwithstanding the provisions of this Section 8, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Notes purchased by it exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Initial Purchaser or any person controlling an Initial Purchaser or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Notes.

9. TERMINATION. This Agreement shall be subject to termination by notice given by the Representatives to the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date any of the events described in Section 5(a) shall have occurred or (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade (or settlement in the trading of securities thereon shall have been materially disrupted), (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or

escalation of hostilities (including, without limitation an act of terrorism) or any change in financial markets or any calamity or crisis that, in the Representatives' judgment, is material and adverse and (b) in the case of any of the events specified in clauses (a)(i) through (iv), such event, singly or together with any other such event, makes it, in the Representatives' judgment, impracticable to market the Notes on the terms and in the manner contemplated in the Offering Memorandum. Notice of such cancellation shall be given to the Company by telecopy or telephone but shall be subsequently confirmed by letter.

10. DEFAULTING INITIAL PURCHASERS.

If any Initial Purchaser or Initial Purchasers shall default in its or their obligation to take up and pay for the Notes to be purchased by it or them hereunder, the non-defaulting Initial Purchasers shall take up and pay for (in addition to the principal amount of Notes they are obligated to purchase hereunder) the principal amount of Notes agreed to be purchased by all such defaulting Initial Purchasers as hereinafter set forth; provided, however, that in the event that the principal amount of Notes which all Initial Purchasers so defaulting shall have agreed but failed to take up and pay for shall exceed 10% of the total principal amount of Notes, the Representatives may in their discretion arrange for themselves or another party or parties to purchase such Notes on the terms contained herein. If within thirty-six hours after such default by any Initial Purchaser, the Representatives do not arrange for the purchase of such Notes, then the Company will be entitled to a further period of thirty-six hours within which to procure another party or parties satisfactory to the Representatives to purchase such Notes on such terms. In the event that, within the prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Notes, or the Company notifies the Representatives that it has so arranged for the purchase of such Notes, the Representatives or the Company shall have the right to postpone the Closing Date for such Notes for a period of not more than seven days in order to effect whatever changes may thereby be made necessary in the Final Offering Memorandum, or in any other documents or arrangements. If non-defaulting Initial Purchasers take up and pay for all the Notes agreed to be purchased by all such defaulting Initial Purchasers, such Notes shall be taken up and paid for by such non-defaulting Initial Purchaser or Initial Purchasers in such amount or amounts as the Representatives may designate with the consent of each Initial Purchaser so designated or, in the event no such designation is made, such Notes shall be taken up and paid for by all non-defaulting Initial Purchasers pro rata in proportion to the aggregate principal amount of Notes set opposite the names of such non-defaulting Initial Purchasers on Schedule I hereto. If after giving effort to any arrangements for the purchase of the Notes of any defaulting Initial Purchaser as provided in this Section 10, any Notes remain unpurchased, then this Agreement will terminate without liability to any non-defaulting Initial Purchaser or the Company.

11. REIMBURSEMENT OF INITIAL PURCHASERS' EXPENSES.

If this Agreement shall be terminated by the Representatives because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Initial Purchasers for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereunder.

12. NOTICES. Except as otherwise provided notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be delivered (a) if to the Company, at One Williams Center, Tulsa, Oklahoma 74172, Attention: Treasurer, or (b) if to the Initial Purchasers, at the offices of Lehman Brothers Inc., 745 Seventh Avenue, New York, NY 10019, Attention : Debt Capital Markets, Power Group (with a copy to the General Counsel), or in any case to such other address as the person to be notified may have requested in writing.

13. SUCCESSORS. The Agreement is made solely for the benefit of the Initial Purchasers, the Company, their directors and officers and other controlling persons referred to in Section 8 hereof, and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" as used in this Agreement shall not include a purchaser from any Initial Purchaser of any of the Notes in his status as such purchaser.

14. PARTIAL UNENFORCEABILITY. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other section, paragraph or provision hereof.

15. COUNTERPARTS. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

16. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York

17. HEADINGS. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Please confirm that the foregoing correctly sets forth the agreement among the Company and the Initial Purchasers.

Very truly yours,

THE WILLIAMS COMPANIES, INC.

By: /s/ JAMES G. IVEY

Name: James G. Ivey
Title: Treasurer

Accepted as of the date hereof:

LEHMAN BROTHERS INC.
J.P. MORGAN SECURITIES INC.

By: Lehman Brothers Inc.

By: /s/ MARTIN GOLDBERG

Name: Martin Goldberg
Title:

On behalf of itself and the other several Initial Purchasers listed on Schedule I hereto.

Schedule I

Initial Purchaser	Principal Amount of 8.125% Notes	Principal Amount of 8.75% Notes
Lehman Brothers Inc.	$195,000,325	$255,000,500
J.P. Morgan Securities Inc.	195,000,325	255,000,500
Banc of America Securities LLC	45,500,000	59,500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	45,500,000	59,500,000
Salomon Smith Barney Inc.	45,500,000	59,500,000
ABN AMRO Incorporated	9,499,950	12,423,000
Barclays Capital Inc.	9,499,950	12,423,000
BMO Nesbitt Burns Corp.	9,499,950	12,423,000
BNP Paribas Securitites Corp.	9,499,950	12,423,000
BNY Capital Markets	9,499,950	12,423,000
CIBC World Markets Corp.	9,499,950	12,423,000
Fleet Securities, Inc.	9,499,950	12,423,000
Mizuho International plc	9,499,950	12,423,000
RBC Dominion Securities Corporation	9,499,950	12,423,000
The Royal Bank of Scotland plc	9,499,950	12,423,000
Scotia Capital (USA) Inc.	9,499,950	12,423,000
TD Securities (USA) Inc.	9,499,950	12,423,000
UBS Warburg LLC	9,499,950	12,423,000
Total	$650,000,000	$850,000,000

CROSS-REFERENCE TARGET LIST

NOTE: DUE TO THE NUMBER OF TARGETS SOME TARGET NAMES MAY NOT APPEAR IN THE TARGET PULL-DOWN LIST.
(This list is for the use of the wordprocessor only, is not a part of this document and may be discarded.)

ARTICLE/SECTION TARGET NAME	ARTICLE/SECTION TARGET NAME	ARTICLE/SECTION TARGET NAME	ARTICLE/SECTION TARGET NAME
?.....payment and delivery			
?.....amending or supplementing			
?..preliminary offering circular			
5(a).....cndtns.sbsqnt			
8.....indemnify and contribution			
8(a).....indemnify and hold			
9.....termination			
11.....reimburs.ip.exp			
15.....counterparts			

EXHIBIT 23.1

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-4) and the related Prospectus of The Williams Companies, Inc. for the registration of $650 million of 8.125% Notes and $850 million of 8.75% Notes, and to the incorporation by reference therein of our report dated March 6, 2002, with respect to the consolidated financial statements and schedule of The Williams Companies, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2001, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Tulsa, Oklahoma
March 29, 2002

EXHIBIT 24.1

THE WILLIAMS COMPANIES, INC.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each of the undersigned individuals, in their capacity as a director or officer, or both, as hereinafter set forth below their signature, of THE WILLIAMS COMPANIES, INC., a Delaware corporation ("Williams"), does hereby constitute and appoint WILLIAM G. VON GLAHN, RICHARD CARSON and SUZANNE H. COSTIN their true and lawful attorneys and each of them (with full power to act without the other) their true and lawful attorneys for them and in their name and in their capacity as a director or officer, or both, of Williams, as hereinafter set forth below their signature, to sign registration statements on Form S-3 or S-4 for the registration under the Securities Act of 1933, as amended, and/or exchange of up to Two Billion Dollars ($2,000,000,000) of securities, and any and all amendments and post-effective amendments to said registration statements and any and all instruments necessary or incidental in connection therewith; and

THAT the undersigned Williams does hereby constitute and appoint WILLIAM G. VON GLAHN, RICHARD CARSON and SUZANNE H. COSTIN its true and lawful attorneys and each of them (with full power to act without the other) its true and lawful attorney for it and in its name and on its behalf to sign said registration statements and any and all amendments and post-effective amendments thereto and any and all instruments necessary or incidental in connection therewith.

Each of said attorneys shall have full power of substitution and resubstitution, and said attorneys or either of them or any substitute appointed by either of them hereunder shall have full power and authority to do and perform in the name and on behalf of each of the undersigned, in any and all capacities, every act whatsoever requisite or necessary to be done in the premises, as fully to all intents and purposes as each of the undersigned might or could do in person, the undersigned hereby ratifying and approving the acts of said attorneys or either of them or of any such substitute pursuant hereto.

IN WITNESS WHEREOF, the undersigned have executed this instrument, all as of the 7th day of March, 2002.

/s/ Steven J. Malcolm
- ---
Steven J. Malcolm
President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Jack D. McCarthy

Jack D. McCarthy
Senior Vice President
(Principal Financial Officer)

/s/ Gary R. Belitz
- ---
Gary R. Belitz
Controller
(Principal Accounting Officer)

/s/ Keith E. Bailey

Keith E. Bailey
Chairman of the Board

/s/ Hugh M. Chapman
- ----------
Hugh M. Chapman
Director

/s/ Thomas H. Cruikshank
- ----------
Thomas H. Cruikshank
Director

/s/ Ira D. Hall
- ----------
Ira D. Hall
Director

/s/ James C. Lewis
- ----------
James C. Lewis
Director

/s/ George A. Lorch
- ----------
George A. Lorch
Director

/s/ Gordon R. Parker
- ----------
Gordon R. Parker
Director

/s/ Joseph H. Williams
- ----------
Joseph H. Williams
Director

/s/ Glenn A. Cox

Glenn A. Cox
Director

/s/ William E. Green

William E. Green
Director

/s/ W. R. Howell

W.R. Howell
Director

/s/ Charles M. Lillis

Charles M. Lillis
Director

/s/ Frank T. MacInnis

Frank T. MacInnis
Director

/s/ Janice D. Stoney

Janice D. Stoney
Director

THE WILLIAMS COMPANIES, INC.

By: /s/ William G. von Glahn

William G. von Glahn
Senior Vice President and
General Counsel

ATTEST:

/s/ Suzanne H. Costin
- ----------
Suzanne H. Costin
Secretary

EXHIBIT 24.2

THE WILLIAMS COMPANIES, INC.

SECRETARY'S CERTIFICATE

I, the undersigned, SUZANNE H. COSTIN, Secretary of THE WILLIAMS COMPANIES, INC., a Delaware corporation (hereinafter called the "Company"), do hereby certify that at a meeting of the Board of Directors of the Company, duly convened and held on March 7, 2002, at which a quorum of said Board was present and acting throughout, the following resolutions were duly adopted:

WHEREAS the Board of Directors of the Company has determined that it is advisable for there to be an offering of one or more series of securities ("Securities") of the Company, which Securities may be sold in one or more offerings not required to be registered under the Securities Act of 1933;

WHEREAS the Board of Directors wishes to grant certain officers of the Company authority to establish and approve the terms of the Securities and the offering thereof; and

WHEREAS, because it is desirable and in the best interests of the Company to provide that the Securities be issued on such terms as are most favorable to the Company based upon market conditions at the time of the issuance, the Board of Directors wishes to provide such officers with broad parameters and flexibility in establishing the terms of any such offering and of the Securities, including the authority to grant registration rights in connection therewith;

NOW, THEREFORE, BE IT:

RESOLVED that the Chairman of the Board, the Chief Executive Officer, the President, any Senior Vice President, the Treasurer, or any other officer of the Company (each a "Designated Officer") be, and each of them hereby is, authorized and empowered to execute, acknowledge and deliver, for and on behalf of the Company, and under its corporate seal, which its Secretary or any Assistant Secretary is hereby authorized to affix and attest, one or more indentures, which may be senior or subordinated, including indentures supplemented thereto or to any existing indenture of the Company, between the Company and a trustee to be determined by the Designated Officer executing such indenture (the "Indenture") for the purpose of providing for the issuance, registration, transfer, exchange and payment of the Securities to be issued pursuant thereto, each such Indenture to be in the form as the Designated Officers executing and delivering the same on behalf of the Company shall

approve, such approval to be conclusively evidenced by such officer's execution, acknowledgment and delivery of the Indenture.

RESOLVED that the Designated Officers be, and each hereby is, in accordance with the authorizations set forth in these resolutions, authorized to cause the Company to issue and sell one or more series of the Securities and, in connection with any such series, determine, approve or appoint, as the case may be:

(a) the exact aggregate principal amount of the series of Securities, provided that the aggregate principal amount of Securities of all series authorized to be issued pursuant to these resolutions shall not exceed Two Billion Dollars ($2,000,000,000);

(b) the designation of the Securities as senior or subordinated indebtedness of the Company;

(c) whether each series of Securities to be sold in a private placement shall be sold with or without competitive bidding and with or without the benefit of registration rights;

(d) the terms and rights of the Securities, consistent with the terms of the respective Indenture;

(e) the maturity or maturities of the Securities; provided, however, that the maturity or maturities of any Securities may not exceed thirty (30) years;

(f) the price to be received by the Company in any offering or sale of any of the Securities (which may be at a discount from the principal amount payable at maturity of such Securities), the price at which the Securities are to be sold to investors and any discount received by, or commission paid to, any underwriters or agents;

(g) the rate or rates at which the Securities shall bear interest, if any, which rate or rates may be fixed or may vary from time to time in accordance with a formula to be approved by any such Designated Officer, and, if so determined by any such officer, the terms and conditions upon which, and the date or dates on which, the rate or rates initially established for such Securities will be reset in accordance with a formula, procedure, or remarketing mechanism approved by any such Designated Officer;

provided, however, that the initial interest rate of the Securities may not exceed LIBOR plus one thousand (1,000) basis points;

(h) the date or dates from which such interest shall accrue, the dates on which such interest shall be payable and the record date for the interest payable on any interest payment date and/or the method by which such rate or rates or date or dates shall be determined;

(i) the place or places where the principal of, premium, if any, and interest, if any, on the Securities shall be payable;

(j) the option, if any, of the Company to redeem the Securities in whole or in part and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities may be redeemed, in whole or in part, pursuant to such option or any sinking fund or otherwise;

(k) the obligation, if any, of the Company to redeem, purchase or repay Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation or option;

(l) the denominations and currencies, including U.S. dollars, foreign currencies and composite currencies, in which the Securities shall be issuable and payable and the election, if any, of holders of Securities to receive payment of principal (and premium, if any) and interest in a currency other than the currency in which such Securities were issued;

(m) any restrictions on transfer of the Securities necessary or advisable so that the offering thereof will be exempt from the registration requirements of the Securities Act of 1933;

(n) such other terms, conditions and provisions as any such Designated Officer shall deem appropriate; and

(o) the forms of the Securities.

RESOLVED that any Designated Officer be, and each hereby is, authorized to appoint one or more transfer agents or registrars, depositories, authenticating or paying agents, calculation agents, remarketing agents, exchange rate agents and any other agents with respect to the Securities, and to execute and deliver, in the name and on behalf of the Company, any agreement, instrument or document relating to any such appointment for the purpose of implementing and giving effect to the provisions of the applicable Indenture and the terms of the Securities; any such agreement, instrument or document to be in such form and to have such terms and provisions as the Designated Officer executing and delivering the same on behalf of the Company shall approve, such approval to be conclusively evidenced by such Designated Officer's execution and delivery thereof; provided, however, that the Company may at any time elect to act in the capacity of paying agent.

RESOLVED that any Designated Officer be, and each hereby is, authorized to execute and deliver to the trustee for each Indenture an Issuer Order or Officer's Certificate, as appropriate, referred to in the Indenture and to perform on behalf of the Company such other procedures acceptable to such trustee as may be necessary in order to authorize the authentication and delivery by such trustee of the Securities.

RESOLVED that any Designated Officer be, and each hereby is, authorized to cause the Company to enter into agreements (each a "Purchase Agreement"), with such investment banking company or companies as any such Designated Officer may choose (the "Agents"), and with such additional or successor Agents as any Designated Officer shall select, in the form as the Designated Officer executing and delivering the same on behalf of the Company shall approve, such approval to be conclusively evidenced by such Designated Officer's execution, acknowledgment and delivery of the Purchase Agreement.

RESOLVED that, if applicable, the Company is hereby authorized to register under the Securities Act of 1933, as amended (the "Securities Act"), the Securities or one or more series of securities of the Company to be issued in exchange therefore (the "Exchange Securities") to allow the recipients of the Securities to resell such Securities or the Exchange Securities from time to time, all in accordance with the provisions of the Securities Act, and other applicable United States or other laws.

RESOLVED that the officers of the Company be, and each hereby is, authorized, for and on behalf of the Company, to prepare or cause to be prepared, and to execute and file with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act and the rules and regulations thereunder (the "Rules and Regulations"), a registration statement on Form S-3 or S-4 (the "Shelf Registration Statement"), and any and all exhibits and documents relating thereto in connection with the registration of the Securities, the Exchange Securities or any portion thereof.

RESOLVED that the officers of the Company be, and each hereby is, authorized, for and on behalf of the Company, to prepare or cause to be prepared and to execute and file with the Commission one or more prospectuses and one or more supplementary prospectuses (the "Prospectuses") in connection with offerings or sales of the securities registered under the Shelf Registration Statement (the "Offerings").

RESOLVED that the officers of the Company be, and each hereby is, authorized, for and on behalf of the Company, to prepare or cause to be prepared, and to execute and file with the Commission pursuant to the Securities Act and the Rules and Regulations, any and all necessary pre-effective and post-effective amendments to the Shelf Registration Statement, or supplements to the Prospectuses and any and all exhibits and documents relating thereto, as such officers executing the same shall approve, such approval for and in the name of the Company to be conclusively evidenced by their signature thereto, and to take all such further action as may, in the judgment of such officers, be necessary, appropriate or desirable to secure and thereafter to maintain the effectiveness of the Shelf Registration Statement.

RESOLVED that each officer or director of the Company who may be required to execute the Shelf Registration Statement or any amendment or amendments thereto to be filed with the Commission, be, and hereby is, authorized and empowered to execute a power of attorney appointing William G. von Glahn and Suzanne H. Costin, and each of them, severally, his true and lawful attorney or attorney-in-fact and agent or agents with the power to act, with or without the other, with full power of substitution and resubstitution, for him and in his name, place or stead, in his capacity as a director or officer or both, as the case may be, of the Company, to sign the Shelf Registration Statement and any and all amendments thereto and all documents or instruments necessary, appropriate or desirable to enable the Company to comply with the Securities Act, other federal

and state securities laws and other applicable United States and other laws in connection with the Offerings, and to file the same with the Commission with full power and authority to each of said attorneys-in-fact to do and to perform in the name and on behalf of each such officer or director, or both, as the case may be, every act whatsoever necessary or appropriate, as fully and for all intents and purposes as such officer or director, or both, as the case may be, might or could do in person.

RESOLVED that William G. von Glahn of the Company be, and hereby is, designated, for and on behalf of the Company, the agent for service to be named in the Shelf Registration Statement and in any and all amendments thereto to be executed and filed with the Commission and is hereby authorized and empowered to receive notices and communications with respect to the registration under the Securities Act of the Securities and the Exchange Securities and with respect to the Offerings, with all powers consequent upon such designation under the Rules and Regulations.

RESOLVED that the officers of the Company be, and each of them hereby is, authorized, for and on behalf of the Company, to take any and all such actions that, in the judgment of the officer taking such action are necessary or appropriate to effectuate, carry out and consummate fully the Offerings in accordance with the terms and procedures set forth in the Shelf Registration Statement or as may be required by the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the respective rules and regulations thereunder.

RESOLVED that the officers of the Company be, and each hereby is, authorized, for and on behalf of the Company, to prepare or cause to be prepared and to execute, verify and file such other applications, declarations, powers or other instruments, and any amendment or amendments thereto, together with any and all exhibits and instruments relating thereto, that in the judgment of the officer taking such action, are necessary or appropriate to obtain any order or orders, approval or approvals, certificate or certificates of approval of the Commission or any other regulatory authority that may have jurisdiction in the premises and in connection with any of the matters aforesaid.

RESOLVED that any Designated Officer be, and each hereby is, authorized to take, or cause to be taken, any and all action which any such Designated Officer may deem necessary or desirable to carry out the purpose and intent of the foregoing resolutions (hereby

ratifying and confirming any and all actions taken heretofore or hereafter to accomplish such purposes, all or singular), and to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Company as any such Designated Officer may deem necessary or desirable in connection therewith, and to perform, or cause to be performed, the obligations of the Company under the Securities, the Exchange Securities, the Indenture and the Purchase Agreement, and to pay such fees and expenses as, in their judgment, shall be proper or advisable.

RESOLVED that the officers of the Company be, and each of them hereby is, authorized to take all such further action and to execute and deliver all such further instruments and documents in the name and on behalf of the Company with its corporate seal or otherwise and to pay such fees and expenses as, in their judgment, shall be proper or advisable in order to carry out the intent and to accomplish the purposes of the foregoing resolutions.

I further certify that the foregoing resolutions have not been modified, revoked or rescinded and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of THE WILLIAMS COMPANIES, INC., this 4th day of April, 2002.

/s/ Suzanne H. Costin

(CORPORATE SEAL)

Suzanne H. Costin
Secretary

EXHIBIT 25.1

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) __

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

A NATIONAL BANKING ASSOCIATION	31-0838515 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
100 EAST BROAD STREET, COLUMBUS, OHIO (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	43271-0181 (ZIP CODE)

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION
1 BANK ONE PLAZA
CHICAGO, ILLINOIS 60670
ATTN: SANDRA L. CARUBA, FIRST VICE PRESIDENT, (312) 336-9436
(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

THE WILLIAMS COMPANIES, INC.
(EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	73-0569878 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
ONE WILLIAMS CENTER TULSA, OKLAHOMA (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	74172 (ZIP CODE)

8.125% NOTES DUE MARCH 15, 2012
8.750% NOTES DUE MARCH 15, 2032
(TITLE OF INDENTURE SECURITIES)

ITEM 1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of Currency, Washington, D.C.; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington D.C.

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR. IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

No such affiliation exists with the trustee.

ITEM 16. LIST OF EXHIBITS. LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY.

1. A copy of the articles of association of the trustee now in effect.*

2. A copy of the certificate of authority of the trustee to commence business.*

3. A copy of the authorization of the trustee to exercise corporate trust powers.*

4. A copy of the existing by-laws of the trustee.*

5. Not Applicable.

6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 2nd day of April, 2002.

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION,
TRUSTEE

BY /s/ SANDRA L. CARUBA
SANDRA L. CARUBA
FIRST VICE PRESIDENT

*EXHIBITS 1, 2, 3, AND 4 ARE HEREIN INCORPORATED BY REFERENCE TO EXHIBITS BEARING IDENTICAL NUMBERS IN ITEM 16 OF THE FORM T-1 OF BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION, FILED AS EXHIBIT 25 TO THE REGISTRATION STATEMENT ON FORM S-4 OF U S WEST COMMUNICATIONS, INC., FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 24, 2000 (REGISTRATION NO. 333-32124).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

April 2, 2002

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the qualification of an indenture between The Williams Companies, Inc. and Bank One Trust Company, National Association, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION

BY: /s/ SANDRA L. CARUBA
SANDRA L. CARUBA
FIRST VICE PRESIDENT

EXHIBIT 7

Legal Title of Bank:	Bank One Trust Company, N.A.	Call Date: 12/31/01	State #: 391581	FFIEC 041
Address:	100 Broad Street	Vendor ID: D	Cert #: 21377	Page RC-1
City, State Zip:	Columbus, OH 43271	Transit #: 04400003		

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL
AND STATE-CHARTERED SAVINGS BANKS FOR DECEMBER 31, 2001

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

SCHEDULE RC--BALANCE SHEET

	DOLLAR AMOUNTS IN THOUSANDS RCON BIL MIL THOU	C300
ASSETS		
1. Cash and balances due from depository institutions (from Schedule RC-A):	RCON	
a. Noninterest-bearing balances and currency and coin(1)	0081 285,199	1.a
b. Interest-bearing balances(2)	0071 0	1.b
2. Securities		
a. Held-to-maturity securities(from Schedule RC-B, column A)	1754 0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)	1773 336	2.b
3. Federal funds sold and securities purchased under agreements to resell	1350 1,466,628	3.
4. Loans and lease financing receivables: (from Schedule RC-C):	RCON	
a. Loans and leases held for sale	5369 0	4.a
	5369 0	4.a
b. Loans and leases, net of unearned income	B528 195,551	4.b
c. LESS: Allowance for loan and lease losses	3123 292	4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	B529 195,259	4.d
5. Trading assets (from Schedule RC-D)	3545 0	5.
6. Premises and fixed assets (including capitalized leases)	2145 13,065	6.
7. Other real estate owned (from Schedule RC-M)	2150 0	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130 0	8.
9. Customers' liability to this bank on acceptances outstanding	2155 0	9.
10. Intangible assets		
a. Goodwill	3163 0	10.a
b. Other intangible assets (from Schedule RC-M)	0426 9,224	10.b
11. Other assets (from Schedule RC-F)	2160 250,027	11.
12. Total assets (sum of items 1 through 11)	2170 2,219,738	12.

- -------------

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

SCHEDULE RC-CONTINUED

		DOLLAR AMOUNTS IN THOUSANDS	
LIABILITIES			
13. Deposits:	RCON		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	2200	1,957,028	13.a
(1) Noninterest-bearing(1)	6631	1,378,041	13.a1
(2) Interest-bearing	6636	587,987	13.a2
b. Not applicable			
14. Federal funds purchased and securities sold under agreements to repurchase	RCFD 2800	0	14.
15. Trading Liabilities(from Schedule RC-D)	RCFD 3548	0	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	3190	0	16.
17. Not applicable			
18. Bank's liability on acceptances executed and outstanding	2920	0	18.
19. Subordinated notes and debentures (2)	3200	0	19.
20. Other liabilities (from Schedule RC-G)	2930	72,264	20.
21. Total liabilities (sum of items 13 through 20)	2948	2,029,292	21.
22. Minority interest in consolidated subsidiaries	3000	0	22.
EQUITY CAPITAL			
23. Perpetual preferred stock and related surplus	3838	0	23.
24. Common stock	3230	800	24.
25. Surplus (exclude all surplus related to preferred stock)	3839	45,157	25.
26. a. Retained earnings	3632	144,485	26.a
b. Accumulated other comprehensive income (3)	B530	4	26.b
27. Other equity capital components (4)	A130	0	27.
28. Total equity capital (sum of items 23 through 27)	3210	190,446	28.
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	3300	2,219,738	29.

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2000	N/A RCFD 6724	Number M.1.

1 = Independent audit of the bank conducted in accordance performed by other with generally accepted auditing standards by a certified required by state chartering public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company statements by external conducted in accordance with generally accepted auditing standards by a certified public accounting firm which financial statements by external submits a report on the consolidated holding company (but not on the bank separately) tax preparation work)

3 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

4.= Directors' examination of the bank external auditors (may be authority)

5 = Review of the bank's financial auditors

6 = Compilation of the bank's auditors

7 = Other audit procedures (excluding

8 = No external audit work

- --------------
(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Includes limited-life preferred stock and related surplus.

(3) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.

(4) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

EXHIBIT 99.1

THE WILLIAMS COMPANIES, INC.

LETTER OF TRANSMITTAL

FOR TENDER OF ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012
IN EXCHANGE FOR
8.125% NOTES DUE MARCH 15, 2012
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933
AND
8.750% NOTES DUE MARCH 15, 2032
IN EXCHANGE FOR
8.750% NOTES DUE MARCH 15, 2032
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

PURSUANT TO THE PROSPECTUS DATED [ ], 2002

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON [ ], 2002,
UNLESS THE EXCHANGE OFFER IS EXTENDED.

To:
BANK ONE TRUST COMPANY, N.A. (THE "EXCHANGE AGENT")

By Mail or Overnight Courier:	By Hand Delivery:	By Facsimile Transmission:
1 Bank One Plaza Mail Code IL1-0134 Chicago, Illinois 60670-0134 Attention: Exchanges Floor Global Corporate Trust Services	One North State Street, 9th Floor Chicago, Illinois 60602 Attention: Exchanges	(312) 407-8853
	or	For Information or Confirmation by Telephone:
	14 Wall Street New York, New York 10005 Attention: Exchanges	(800) 524-9472

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OR TRANSMISSION THEREOF TO A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES, IS AT THE RISK OF THE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

The undersigned acknowledges that he or she has received the Prospectus, dated [ ], 2002 (the "Prospectus") of The Williams Companies, Inc. (the "Company") and this Letter of Transmittal and the instructions hereto (the "Letter of Transmittal"), which together constitute the Company's offer (the "Exchange Offer") to exchange $1,000 principal amount of its 8.125% Notes due March 15, 2012, that have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement of which the Prospectus is a part, for each $1,000 principal amount of its outstanding 8.125% Notes due March 15, 2012, of which $650,000,000 aggregate principal amount is outstanding, and to exchange $1,000 principal amount of its 8.750% Notes due March 15, 2032, that have been registered under the Securities Act, pursuant to a Registration Statement of which the Prospectus is a part, for each $1,000 principal amount of its outstanding 8.750% Notes due March 15, 2032, of which $850,000,000 aggregate principal amount is outstanding, upon the terms and subject to the conditions set forth in the Prospectus. The term "Expiration Date" shall mean 5:00 p.m., New York City time, on [ ], 2002, unless the

Company, in its sole discretion, extends the Exchange Offer, in which case the term shall mean the latest date and time to which the Exchange Offer is extended by the Company.

For purposes of this Letter of Transmittal, the outstanding 8.125% Notes due March 15, 2012 shall be defined as the "Outstanding 8.125% Notes" and the outstanding 8.750% Notes due March 15, 2032 shall be defined as the "Outstanding 8.750% Notes," and the Outstanding 8.125% Notes and the Outstanding 8.750% Notes shall be defined collectively as the "Outstanding Securities." The 8.125% Notes due March 15, 2012, registered under the Securities Act shall be defined as the "New 8.125% Notes "and the 8.750% Notes due March 15, 2032, registered under the Securities Act shall be defined as the "New 8.750% Notes "and the New 8.125% Notes and the New 8.750% Notes shall be defined collectively as the "New Securities." All other capitalized terms used but not defined herein shall have the same meanings given them in the Prospectus (as defined below).

This Letter of Transmittal is to be used either if (i) certificates representing Outstanding Securities are to be physically delivered to the Exchange Agent herewith by Holders, (ii) tender of Outstanding Securities is to be made by book-entry transfer to an account maintained by the Exchange Agent at The Depository Trust Company ("DTC"), pursuant to the procedures set forth in "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus, by any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of Outstanding Securities, unless an Agent's Message (as defined below) is transmitted in lieu hereof, or (iii) tender of Outstanding Securities is to be made according to the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Securities," unless an Agent's Message (as defined below) is transmitted in lieu hereof. Delivery of this Letter of Transmittal and any other required documents must be made to the Exchange Agent. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

The term "Holder" as used herein means any person in whose name Outstanding Securities are registered on the books of the Company or any other person who has obtained a properly completed bond power from the registered holder or any person whose name appears on a security position listing provided by DTC as an owner of Outstanding Securities.

All Holders of Outstanding Securities who wish to tender their Outstanding Securities must, prior to the Expiration Date: (1) complete, sign and deliver this Letter of Transmittal, or a facsimile thereof, to the Exchange Agent, in person or to the address set forth above, unless an Agent's Message is transmitted in lieu hereof; and (2) tender (and not withdraw) his or her Outstanding Securities or, if a tender of Outstanding Securities is to be made by book-entry transfer to the account maintained by the Exchange Agent at DTC, confirm such book-entry transfer (a "Book-Entry Confirmation"), in each case in accordance with the procedures for tendering described in the instructions to this Letter of Transmittal. Holders of Outstanding Securities whose certificates are not immediately available, or who are unable to deliver their certificates or Book-Entry Confirmation and all other documents required by this Letter of Transmittal to be delivered to the Exchange Agent on or prior to the Expiration Date, must tender their Outstanding Securities according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer - Procedures for Tendering Outstanding Securities" in the Prospectus. (See Instruction 2.)

Upon the terms and subject to the conditions of the Exchange Offer, the acceptance for exchange of the Outstanding Securities validly tendered and not withdrawn and the issuance of the New Securities will be made promptly following the Expiration Date. For the purposes of the Exchange Offer, the Company shall be deemed to have accepted for exchange validly tendered Outstanding Securities when, as and if the Company has given oral (promptly confirmed in writing) or written notice thereof to the Exchange Agent.

The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW. THE INSTRUCTIONS INCLUDED IN THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE PROSPECTUS, THIS LETTER OF TRANSMITTAL AND THE NOTICE OF GUARANTEED DELIVERY MAY BE DIRECTED TO THE EXCHANGE AGENT. (SEE INSTRUCTION 12 HEREIN.)

HOLDERS WHO WISH TO ACCEPT THE EXCHANGE OFFER AND TENDER THEIR OUTSTANDING SECURITIES MUST COMPLETE THIS LETTER OF TRANSMITTAL IN ITS ENTIRETY AND COMPLY WITH ALL OF ITS TERMS, UNLESS AN AGENT'S MESSAGE IS TRANSMITTED IN LIEU HEREOF.

List below the Outstanding Securities to which this Letter of Transmittal relates. If the space provided below is inadequate, the Certificate Numbers and Principal Amounts should be listed on a separate signed schedule, attached hereto. The minimum permitted tender is $1,000 in principal amount of 8.125% Notes due March 15, 2012 or 8.750% Notes due March 15, 2032. All other tenders must be in integral multiples of $1,000.

DESCRIPTION OF 8.125% NOTES DUE MARCH 15, 2012

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)* (PLEASE FILL IN, IF BLANK)	(A) CERTIFICATE NUMBER(S)*	AGGREGATE PRINCIPAL AMOUNT TENDERED (IF LESS THAN ALL)**
	TOTAL PRINCIPAL AMOUNT OF OUTSTANDING 8.125% NOTES TENDERED	

DESCRIPTION OF 8.750% NOTES DUE MARCH 15, 2032

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)* (PLEASE FILL IN, IF BLANK)	(A) CERTIFICATE NUMBER(S)*	AGGREGATE PRINCIPAL AMOUNT TENDERED (IF LESS THAN ALL)**
	TOTAL PRINCIPAL AMOUNT OF OUTSTANDING 8.750% NOTES TENDERED	

* Need not be completed by book-entry holders.

** Need not be completed by Holders who wish to tender with respect to all Outstanding Securities listed. A Holder will be deemed to have tendered all of such Holders' Outstanding Securities if no lesser amount is indicated. Outstanding Securities tendered hereby must be in denominations of principal amount of $1,000 and integral multiples thereof.

PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS

SPECIAL REGISTRATION INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5, 6 AND 7)

To be completed ONLY if certificates for Outstanding Securities in a principal amount not tendered, or New Securities issued in exchange for Outstanding Securities accepted for exchange, are to be issued in the name of someone other than the undersigned, or if Outstanding Securities delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at DTC other than the account indicated on the following page.

Issue Outstanding Securities and/or New Securities certificate(s) to:

Name

(PLEASE PRINT)

(PLEASE PRINT)

Address

(INCLUDING ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

[ ] Credit unexchanged Outstanding Securities delivered by book-entry transfer to the DTC account set forth below:

(DTC ACCOUNT NUMBER)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5, 6 AND 7)

To be completed ONLY if certificates for Outstanding Securities in a principal amount not tendered, or New Securities issued in exchange for Outstanding Securities accepted for exchange, are to be delivered to someone other than the undersigned.

Deliver Outstanding Securities and/or New Securities certificate(s) to:

Name

(PLEASE PRINT)

(PLEASE PRINT)

Address

(INCLUDING ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A FACSIMILE HEREOF OR AN AGENT'S MESSAGE IN LIEU HEREOF (TOGETHER WITH THE CERTIFICATE(S) FOR OUTSTANDING SECURITIES OR A CONFIRMATION OF BOOK-ENTRY TRANSFER OF SUCH OUTSTANDING SECURITIES AND ALL OTHER REQUIRED DOCUMENTS) OR, IF GUARANTEED DELIVERY PROCEDURES ARE TO BE COMPLIED WITH, A NOTICE OF GUARANTEED DELIVERY, MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO THE EXPIRATION DATE.

[ ] CHECK HERE IF OUTSTANDING SECURITIES ARE BEING DELIVERED BY DTC TO AN ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution

Account Number

Transaction Code Number

Holders whose Outstanding Securities are not immediately available or who cannot deliver their Outstanding Securities and all other documents required hereby to the Exchange Agent on or prior to the Expiration Date may tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." (See Instruction 2.)

[ ] CHECK HERE IF OUTSTANDING SECURITIES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Holder(s)

Date of Execution of Notice of Guaranteed Delivery

Name of Institution which Guaranteed Delivery

Transaction Code Number

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:

Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of New Securities. If the undersigned is a broker-dealer that will receive New Securities for its own account in exchange for Outstanding Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such New Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Subject to the terms and conditions of the Exchange Offer, the undersigned hereby tenders to The Williams Companies, Inc. (the "Company") the principal amount of Outstanding Securities indicated above.

Subject to and effective upon the acceptance for exchange of the principal amount of Outstanding Securities tendered hereby in accordance with this Letter of Transmittal, the undersigned sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to the Outstanding Securities tendered hereby. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as its true and lawful agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as the agent of the Company and as Trustee and Registrar under the indenture governing the New Securities) with respect to the tendered Outstanding Securities with full power of substitution (such power of attorney being deemed an irrevocable power coupled with an interest), subject only to the right of withdrawal described in the Prospectus, to (i) deliver certificates for such Outstanding Securities to the Company or transfer ownership of such Outstanding Securities on the account books maintained by DTC, together, in either such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company and (ii) present such Outstanding Securities for transfer on the books of the Company and receive all benefits and otherwise exercise all rights of beneficial ownership of such Outstanding Securities, all in accordance with the terms and conditions of the Exchange Offer.

The undersigned acknowledges that the Exchange Offer is being made in reliance upon interpretive advice given by the staff of the Securities and Exchange Commission to third parties in connection with transactions similar to the Exchange Offer, so that the New Securities issued pursuant to the Exchange Offer in exchange for the Outstanding Securities may be offered for resale, resold and otherwise transferred by holders thereof (other than a broker-dealer who purchased such Outstanding Securities directly from the Company for resale pursuant to Rule 144A or any other available exemption under the Securities Act or a person that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Securities are acquired in the ordinary course of such holders' business and such holders have no arrangement with any person to participate in the distribution of such New Securities.

The undersigned agrees that acceptance of any tendered Outstanding Securities by the Company and the issuance of New Securities in exchange therefor shall constitute performance in full by the Company of its obligations under the registration rights agreement, (as referred to in the Prospectus) and that, upon the issuance of the New Securities, the Company will have no further obligations or liabilities thereunder (except in certain limited circumstances).

The undersigned represents and warrants that (i) the New Securities acquired pursuant to the Exchange Offer are being acquired in the ordinary course of business of the person receiving New Securities (which shall be the undersigned unless otherwise indicated in the box entitled "Special Delivery Instructions" above) (the "Recipient"), (ii) neither the undersigned nor the Recipient (if different) is engaged in, intends to engage in or has any arrangement or understanding with any person to participate in the distribution of such New Securities, and (iii) neither the undersigned nor the Recipient (if different) is an "affiliate" of the Company as defined in Rule 405 under the Securities Act. If the undersigned is not a broker-dealer, the undersigned further represents that it is not engaged in, and does not intend to engage in, a distribution of the New Securities. If the undersigned is a broker-dealer, the undersigned further (x) represents that it acquired Outstanding Securities for the undersigned's own account as a result of market-making activities or other trading activities, (y) represents that it has not entered into any arrangement or understanding with the Company or any "affiliate" of the Company (within the meaning of Rule 405 under the Securities Act) to distribute the New Securities to be received in the Exchange Offer and (z) acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act (for which purposes delivery of the Prospectus, as the same may be hereafter supplemented or amended, shall be sufficient) in connection with any resale of

New Securities received in the Exchange Offer. Such a broker-dealer will not be deemed, solely by reason of such acknowledgment and prospectus delivery, to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned understands and agrees that the Company reserves the right not to accept tendered Outstanding Securities from any tendering holder if the Company determines, in its sole and absolute discretion, that certain conditions precedent, as set forth in the Prospectus under the caption "The Exchange Offer -- Conditions to the Exchange Offer," have not been satisfied.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign and transfer the Outstanding Securities tendered hereby and to acquire New Securities issuable upon the exchange of such tendered Outstanding Securities, and that, when the same are accepted for exchange, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The undersigned also warrants that it will, upon request, execute and deliver any additional documents deemed to be necessary or desirable by the Exchange Agent or the Company in order to complete the exchange, assignment and transfer of tendered Outstanding Securities or transfer of ownership of such Outstanding Securities on the account books maintained by a book-entry transfer facility.

The undersigned understands and acknowledges that the Company reserves the right in its sole discretion to purchase or make offers for any Outstanding Securities that remain outstanding subsequent to the Expiration Date or, as set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities," to terminate the Exchange Offer and, to the extent permitted by applicable law, purchase Outstanding Securities in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the Exchange Offer.

The undersigned understands that the Company may accept the undersigned's tender by delivering oral (promptly confirmed in writing) or written notice of acceptance to the Exchange Agent, at which time the undersigned's right to withdraw such tender will terminate. For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Outstanding Securities when, as and if the Company has given oral (which shall be promptly confirmed in writing) or written notice thereof to the Exchange Agent.

The undersigned understands that the first interest payment following the Expiration Date will include unpaid interest on the Outstanding Securities accrued through the date of issuance of the New Securities.

The undersigned understands that tenders of Outstanding Securities pursuant to the procedures described under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer.

The undersigned acknowledges that the Exchange Offer is subject to the more detailed terms set forth in the Prospectus and, in case of any conflict between the terms of the Prospectus and this Letter of Transmittal, the Prospectus shall prevail.

If any tendered Outstanding Securities are not accepted for exchange pursuant to the Exchange Offer for any reason, certificates for any such unaccepted Outstanding Securities will be returned (except as noted below with respect to tenders through DTC), at the Company's cost and expense, to the undersigned at the address shown below or at a different address as may be indicated herein under "Special Delivery Instructions" as promptly as practicable after the Expiration Date.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death, incapacity or dissolution of the undersigned, and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the undersigned's heirs, personal representatives, successors and assigns. This tender may be withdrawn only in accordance with the procedures set forth in this Letter of Transmittal.

By acceptance of the Exchange Offer, each broker-dealer that receives New Securities pursuant to the Exchange Offer hereby acknowledges and agrees that upon the receipt of notice by the Company of the happening of any event which makes any statement in the Prospectus untrue in any material respect or which

requires the making of any changes in the Prospectus in order to make the statements therein not misleading (which notice the Company agrees to deliver promptly to such broker-dealer), such broker-dealer will suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented prospectus to such broker-dealer.

Unless otherwise indicated under "Special Registration Instructions," please issue the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange and return any certificates for Outstanding Securities not tendered or not exchanged, in the name(s) of the undersigned (or, in either such event in the case of Outstanding Securities tendered by DTC, by credit to the account of the undersigned at DTC). Similarly, unless otherwise indicated under "Special Delivery Instructions," please send the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange and any certificates for Outstanding Securities not tendered or not exchanged (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s), unless, in either event, tender is being made through DTC. In the event that both "Special Registration Instructions" and "Special Delivery Instructions" are completed, please issue the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange in the name(s) of, and return any certificates for Outstanding Securities not tendered or not exchanged to, the person(s) so indicated. The undersigned understands that the Company has no obligations pursuant to the "Special Registration Instructions" or "Special Delivery Instructions" to transfer any Outstanding Securities from the name of the registered Holder(s) thereof if the Company does not accept for exchange any of the Outstanding Securities so tendered.

Holders who wish to tender the Outstanding Securities and (i) whose Outstanding Securities are not immediately available or (ii) who cannot deliver their Outstanding Securities, this Letter of Transmittal or an Agent's Message in lieu hereof or any other documents required hereby to the Exchange Agent prior to the Expiration Date, may tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." (See Instruction 2.)

PLEASE SIGN HERE WHETHER OR NOT
OUTSTANDING SECURITIES ARE BEING PHYSICALLY TENDERED HEREBY
AND WHETHER OR NOT TENDER IS TO BE MADE
PURSUANT TO THE GUARANTEED DELIVERY PROCEDURES

This Letter of Transmittal must be signed by the registered holder(s) as their name(s) appear on the Outstanding Securities or, if tendered by a participant in DTC, exactly as such participant's name appears on a security listing as the owner of Outstanding Securities, or by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter of Transmittal. If Outstanding Securities to which this Letter of Transmittal relate are held of record by two or more joint holders, then all such holders must sign this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full title below and (ii) unless waived by the Company, submit evidence satisfactory to the Company of such person's authority so to act. (See Instruction 4.)

X

DATE

X

SIGNATURE(S) OF HOLDER(S) OR AUTHORIZED SIGNATORY

DATE

Name(s):

(PLEASE PRINT)

Address:

(INCLUDING ZIP CODE)

Capacity:

Area Code and Telephone Number:

Social Security No.:

PLEASE COMPLETE SUBSTITUTE FORM W-9 HEREIN

SIGNATURE GUARANTEE (SEE INSTRUCTION 1)
CERTAIN SIGNATURES MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION

- ---

(Name Of Eligible Institution Guaranteeing Signatures)

- ---

(Address (Including Zip Code) And Telephone Number (Including Area Code) Of Firm)

- ---

(Authorized Signature)

- ---

(Printed Name)

- ---

(Title)

Date:
- ---

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Guarantee of Signatures. Signatures on this Letter of Transmittal need not be guaranteed if (a) this Letter of Transmittal is signed by the registered holder(s) of the Outstanding Securities tendered herewith and such holder(s) have not completed the box set forth herein entitled "Special Registration Instructions" or the box entitled "Special Delivery Instructions" or (b) such Outstanding Securities are tendered for the account of an Eligible Institution. (See Instruction 6.) Otherwise, all signatures on this Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States (an "Eligible Institution"). All signatures on bond powers and endorsements on certificates must also be guaranteed by an Eligible Institution.

2. Delivery of this Letter of Transmittal and Outstanding Securities. Certificates for all physically delivered Outstanding Securities or confirmation of any book-entry transfer to the Exchange Agent at DTC of Outstanding Securities tendered by book-entry transfer, as well as, in each case (including cases where tender is affected by book-entry transfer), a properly completed and duly executed copy of this Letter of Transmittal or facsimile hereof or an Agent's Message in lieu thereof and any other documents required by this Letter of Transmittal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date.

The method of delivery of the tendered Outstanding Securities, this Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the Holder and the delivery will be deemed made only when actually received by the Exchange Agent. If Outstanding Securities are sent by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery. No Letter of Transmittal or Outstanding Securities should be sent to the Company.

The Exchange Agent will make a request to establish an account with respect to the Outstanding Securities at DTC for purposes of the Exchange Offer within two business days after receipt of this Letter of Transmittal, and any financial institution that is a participant in DTC may make book-entry delivery of Outstanding Securities by causing DTC to transfer such Outstanding Securities into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer. However, although delivery of Outstanding Securities may be effected through book-entry transfer at DTC, the Letter of Transmittal, with any required signature guarantees or an Agent's Message (as defined below) in connection with a book-entry transfer and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at the address specified on the cover page of the Letter of Transmittal on or prior to the Expiration Date or the guaranteed delivery procedures described below must be complied with.

A Holder may tender Outstanding Securities that are held through DTC by transmitting its acceptance through DTC's Automatic Tender Offer Program, for which the transaction will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. The term "Agent's Message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from each participant in DTC tendering the Outstanding Securities and that such participant has received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and the Company may enforce such agreement against such participant.

Holders who wish to tender their Outstanding Securities and (i) whose Outstanding Securities are not immediately available, or (ii) who cannot deliver their Outstanding Securities, this Letter of Transmittal or any other documents required hereby to the Exchange Agent prior to the Expiration Date or comply with book-entry transfer procedures on a timely basis must tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus. See "Exchange Offer -- Procedures for Tendering Outstanding Securities." Pursuant to such procedures: (i) such tender must be made by or through an Eligible Institution; (ii) prior to the Expiration Date, the Exchange Agent must have received from the Eligible

Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, overnight courier, mail or hand delivery) setting forth the name and address of the Holder of the Outstanding Securities, the certificate number or numbers of such Outstanding Securities and the principal amount of Outstanding Securities tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, this Letter of Transmittal (or facsimile hereof or an Agent's Message in lieu hereof) together with the certificate(s) representing the Outstanding Securities and any other required documents will be deposited by the Eligible Institution with the Exchange Agent; and (iii) such properly completed and executed Letter of Transmittal (or facsimile hereof or an Agent's Message in lieu hereof), as well as all other documents required by this Letter of Transmittal and the certificate(s) representing all tendered Outstanding Securities in proper form for transfer (or a confirmation of book-entry transfer of such Outstanding Securities into the Exchange Agent's account at DTC), must be received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date, all in the manner provided in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." Any Holder who wishes to tender his Outstanding Securities pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery prior to 5:00 p.m., New York City time, on the Expiration Date. Upon request to the Exchange Agent, a Notice of Guaranteed Delivery will be sent to Holders who wish to tender their Outstanding Securities according to the guaranteed delivery procedures set forth above.

All questions as to the validity, form, eligibility (including time of receipt), acceptance of tendered Outstanding Securities, and withdrawal of tendered Outstanding Securities will be determined by the Company in its sole discretion, which determination will be final and binding. All tendering holders, by execution of this Letter of Transmittal (or facsimile thereof or an Agent's Message in lieu hereof), shall waive any right to receive notice of the acceptance of the Outstanding Securities for exchange. The Company reserves the absolute right to reject any and all Outstanding Securities not properly tendered or any Outstanding Securities the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Outstanding Securities. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in this Letter of Transmittal) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Securities must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Outstanding Securities, nor shall any of them incur any liability for failure to give such notification. Tenders of Outstanding Securities will not be deemed to have been made until such defects or irregularities have been cured to the Company's satisfaction or waived. Any Outstanding Securities received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering Holders pursuant to the Company's determination, unless otherwise provided in this Letter of Transmittal as soon as practicable following the Expiration Date. The Exchange Agent has no fiduciary duties to the Holders with respect to the Exchange Offer and is acting solely on the basis of directions of the Company.

3. Inadequate Space. If the space provided is inadequate, the certificate numbers and/or the number of Outstanding Securities should be listed on a separate signed schedule attached hereto.

4. Tender by Holder. Only a Holder of Outstanding Securities may tender such Outstanding Securities in the Exchange Offer. Any beneficial owner of Outstanding Securities who is not the registered Holder and who wishes to tender should arrange with such registered holder to execute and deliver this Letter of Transmittal on such beneficial owner's behalf or must, prior to completing and executing this Letter of Transmittal and delivering his Outstanding Securities, either make appropriate arrangements to register ownership of the Outstanding Securities in such beneficial owner's name or obtain a properly completed bond power from the registered holder or properly endorsed certificates representing such Outstanding Securities.

5. Partial Tenders; Withdrawals. Tenders of Outstanding Securities will be accepted only in integral multiples of $1,000. If less than the entire principal amount of any Outstanding Securities is tendered, the tendering Holder should fill in the principal amount tendered in the third column of the box entitled

"Description of 8.125% Notes due March 15, 2012" and/or "Description of 8.750% Notes due March 15, 2032" above. The entire principal amount of any Outstanding Securities delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Outstanding Securities is not tendered, then Outstanding Securities for the principal amount of Outstanding Securities not tendered and a certificate or certificates representing New Securities issued in exchange for any Outstanding Securities accepted will be sent to the Holder at his or her registered address, unless a different address is provided in the "Special Delivery Instructions" box above on this Letter of Transmittal or unless tender is made through DTC, promptly after the Outstanding Securities are accepted for exchange.

Except as otherwise provided herein, tenders of Outstanding Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Outstanding Securities in the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having deposited the Outstanding Securities to be withdrawn (the "Depositor"), (ii) identify the Outstanding Securities to be withdrawn (including the certificate number or numbers and principal amount of such Outstanding Securities, or, in the case of Outstanding Securities transferred by book-entry transfer the name and number of the account at DTC to be credited), (iii) be signed by the Depositor in the same manner as the original signature on the Letter of Transmittal by which such Outstanding Securities were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Registrar with respect to the Outstanding Securities register the transfer of such Outstanding Securities into the name of the person withdrawing the tender and (iv) specify the name in which any such Outstanding Securities are to be registered, if different from that of the Depositor. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Outstanding Securities so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no New Securities will be issued with respect thereto unless the Outstanding Securities so withdrawn are validly retendered. Any Outstanding Securities which have been tendered but which are not accepted for exchange by the Company will be returned to the Holder thereof without cost to such Holder as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Outstanding Securities may be retendered by following one of the procedures described in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Securities" at any time prior to the Expiration Date.

6. Signatures on the Letter of Transmittal; Bond Powers and Endorsements. If this Letter of Transmittal (or facsimile hereof) is signed by the registered holder(s) of the Outstanding Securities tendered hereby, the signature must correspond with the name(s) as written on the face of the Outstanding Security without alteration, enlargement or any change whatsoever.

If any of the Outstanding Securities tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If a number of Outstanding Securities registered in different names are tendered, it will be necessary to complete, sign and submit as many copies of this Letter of Transmittal as there are different registrations of Outstanding Securities.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered Holder or Holders (which term, for the purposes described herein, shall include a person whose name appears on a DTC security listing as the owner of the Outstanding Securities) of Outstanding Securities tendered and the certificate or certificates for New Securities issued in exchange therefor is to be issued (or any untendered principal amount of Outstanding Securities to be reissued) to the registered Holder, then such Holder need not and should not endorse any tendered Outstanding Securities, nor provide a separate bond power. In any other case, such Holder must either properly endorse the Outstanding Securities tendered or transmit a properly completed separate bond power with this Letter of Transmittal with the signatures on the endorsement or bond power guaranteed by an Eligible Institution.

If this Letter of Transmittal (or facsimile hereof) is signed by a person other than the registered Holder or Holders of any Outstanding Securities listed, such Outstanding Securities must be endorsed or accompanied by appropriate bond powers in each case signed as the name of the registered Holder or Holders appears on the Outstanding Securities.

If this Letter of Transmittal (or facsimile hereof) or any Outstanding Securities or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, or officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by the Company, evidence satisfactory to the Company of their authority so to act must be submitted with this Letter of Transmittal.

Endorsements on Outstanding Securities or signatures on bond powers required by this Instruction 6 must be guaranteed by an Eligible Institution.

7. Special Registration and Delivery Instructions. Tendering Holders should indicate, in the applicable box or boxes, the name and address to which New Securities or substitute Outstanding Securities for principal amounts not tendered or not accepted for exchange are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

8. Backup Federal Income Tax Withholding and Substitute Form W-9. Under the federal income tax laws, payments that may be made by the Company on account of New Securities issued pursuant to the Exchange Offer may be subject to backup withholding. In order to avoid such backup withholding, each tendering holder should complete and sign the Substitute Form W-9 included in this Letter of Transmittal and either (a) provide the correct taxpayer identification number ("TIN") and certify, under penalties of perjury, that the TIN provided is correct and that (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that the holder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) the IRS has notified the holder that the holder is no longer subject to backup withholding; or (b) provide an adequate basis for exemption. If the tendering holder has not been issued a TIN and has applied for one, or intends to apply for one in the near future, such holder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, sign and date the Substitute Form W-9 and sign the Certificate of Payee Awaiting Taxpayer Identification Number. If "Applied For" is written in Part I, the Company (or the Paying Agent under the indenture governing the New Securities) shall retain a portion of payments made to the tendering holder during the sixty-day period following the date of the Substitute Form W-9. If the Holder furnishes the Exchange Agent or the Company with its TIN within sixty days after the date of the Substitute Form W-9, the Company (or the Paying Agent) shall remit such amounts retained during the sixty-day period to the Holder and no further amounts shall be retained or withheld from payments made to the Holder thereafter. If, however, the Holder has not provided the Exchange Agent or the Company with its TIN within such sixty-day period, the Company (or the Paying Agent) shall remit such previously retained amounts to the IRS as backup withholding. In general, if a Holder is an individual, the TIN is the Social Security number of such individual. If the Exchange Agent or the Company are not provided with the correct TIN, the Holder may be subject to a $50 penalty imposed by the IRS. Certain Holders (including, among others, certain corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such Holder must submit a statement (generally, IRS Form W-8), signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Exchange Agent. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Outstanding Securities are registered in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause Outstanding Securities to be deemed invalidly tendered, but may require the Company (or the Paying Agent) to withhold a portion of the amount of any payments made on account of the New Securities. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be

reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

9. Transfer Taxes. The Company will pay all transfer taxes, if any, applicable to the exchange of Outstanding Securities pursuant to the Exchange Offer. If, however, certificates representing New Securities or Outstanding Securities for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered in the name of, any person other than the registered holder of the Outstanding Securities tendered hereby, or if tendered Outstanding Securities are registered in the name of a person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Outstanding Securities pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or on any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder. See the Prospectus under "The Exchange Offer -- Transfer Taxes."

Except as provided in this Instruction 9, it will not be necessary for transfer tax stamps to be affixed to the Outstanding Securities listed in this Letter of Transmittal.

10. Waiver of Conditions. The Company reserves the right, in its sole discretion, to amend, waive or modify specified conditions in the Exchange Offer in the case of any Outstanding Securities tendered.

11. Mutilated, Lost, Stolen or Destroyed Outstanding Securities. Any tendering Holder whose Outstanding Securities have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated herein for further instructions.

12. Requests for Assistance or Additional Copies. Requests for assistance and requests for additional copies of the Prospectus or this Letter of Transmittal may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

IMPORTANT TAX INFORMATION

Under federal income tax laws, a Holder whose tendered Outstanding Securities are accepted for payment is required to provide the Exchange Agent (as payer) with such Holder's correct TIN on Substitute Form W-9 below or otherwise establish a basis for exemption from backup withholding. If such Holder is an individual, the TIN is his social security number. If the Exchange Agent is not provided with the correct TIN, a $50 penalty may be imposed by the IRS, and payments made pursuant to the Exchange Offer may be subject to backup withholding.

Certain Holders (including, among others, certain corporations and certain foreign persons) are not subject to these backup withholding and reporting requirements. Exempt Holders should indicate their exempt status on Substitute Form W-9. A foreign person may qualify as an exempt recipient by submitting to the Exchange Agent a properly completed IRS Form W-8, signed under penalties of perjury, attesting to that Holder's exempt status. A Form W-8 can be obtained from the Exchange Agent. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Exchange Agent is required to withhold a portion of any payments made to the Holder or other payee. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments made with respect to the Exchange Offer, the Holder is required to provide the Exchange Agent with either: (i) the Holder's correct TIN by completing the Substitute Form W-9 below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such

Holder is awaiting a TIN) and that (A) the Holder has not been notified by the IRS that the Holder is subject to backup withholding as a result of failure to report all interest or dividends or (B) the IRS has notified the Holder that the Holder is no longer subject to backup withholding or (ii) an adequate basis for exemption.

WHAT NUMBER TO GIVE THE EXCHANGE AGENT

The Holder is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the registered Holder of the Outstanding Securities. If the Outstanding Securities are held in more than one name or are held not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

TO BE COMPLETED BY ALL TENDERING HOLDERS
(SEE INSTRUCTION 8)

Department of the Treasury
INTERNAL REVENUE SERVICE

	PAYER'S NAME: THE WILLIAMS COMPANIES, INC.	
SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION	PART I -- Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For sole proprietors, see the instructions in the enclosed Guidelines. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to Get a TIN in the enclosed Guidelines. NOTE: If the account is in more than one name, see the chart on page 2 of the enclosed Guidelines for instructions on whose number to enter. PART II -- For Payees Exempt from Backup Withholding (See Part II instructions in the enclosed Guidelines)	Social Security Number --- or Employer Identification Number ---

PART III -- Certification -- UNDER PENALTIES OF PERJURY, I CERTIFY THAT:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Signature --- Date ---

CERTIFICATION INSTRUCTIONS.--You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN.

CERTIFICATION OF PAYEE AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify, under penalties of perjury, that a Taxpayer Identification Number has not been issued to me, and that I mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future). I understand that if I do not provide a Taxpayer Identification Number to the payer, a portion of all payments made to me on account of the New Notes shall be retained until I provide a Taxpayer Identification Number to the payer and that, if I do not provide my Taxpayer Identification Number within sixty days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding and a portion of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a Taxpayer Identification Number.

--- ---

SIGNATURE DATE

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU ON ACCOUNT OF THE NEW NOTES. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY

FOR
8.125% NOTES DUE MARCH 15, 2012
AND
8.750% NOTES DUE MARCH 15, 2032
OF
THE WILLIAMS COMPANIES, INC.

As set forth in the Prospectus dated [ ], 2002 (the "Prospectus") of The Williams Companies, Inc. (the "Company") and in the Letter of Transmittal (the "Letter of Transmittal"), this form or a form substantially equivalent to this form must be used to accept the Exchange Offer (as defined below) if the certificates for the outstanding 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032 (collectively, the "Outstanding Securities") of the Company and all other documents required by the Letter of Transmittal cannot be delivered to the Exchange Agent (as defined below) by the expiration of the Exchange Offer or compliance with book-entry transfer procedures cannot be effected on a timely basis. Such form may be delivered by hand or transmitted by facsimile transmission, telex or mail to the Exchange Agent no later than the Expiration Date (as defined below), and must include a signature guarantee by an Eligible Institution (as defined in the Letter of Transmittal) as set forth below.

To:
BANK ONE TRUST COMPANY, N.A. (THE "EXCHANGE AGENT")

By Mail or Overnight Courier:
1 Bank One Plaza
Mail Code IL1-0134
Chicago, Illinois 60670-0134
Attention: Exchanges Floor
Global Corporate Trust Services

By Hand Delivery:
One North State Street, 9th Floor
Chicago, Illinois 60602
Attention: Exchanges
or
14 Wall Street
New York, New York 10005
Attention: Exchanges

By Facsimile Transmission:
(312) 407-8853

For Information or Confirmation by Telephone:
(800) 524-9472

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002 (THE "EXPIRATION DATE") UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES, IS AT THE RISK OF THE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. THE INSTRUCTIONS ACCOMPANYING THE LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS NOTICE OF GUARANTEED DELIVERY IS COMPLETED.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signatures must appear in the applicable space provided on the Letter of Transmittal for Guarantee of Signature(s).

Ladies and Gentlemen:

The undersigned acknowledges receipt of the Prospectus and the related Letter of Transmittal which describes the Company's offer (the "Exchange Offer") to exchange $1,000 in principal amount of 8.125% Notes due March 15, 2012 and $1,000 in principal amount of 8.750% Notes due March 15, 2032 (collectively, the "New Securities") for each $1,000 in principal amount of Outstanding Securities.

The undersigned hereby tenders to the Company the aggregate principal amount of Outstanding Securities set forth below on the terms and conditions set forth in the Prospectus and the related Letter of Transmittal pursuant to the guaranteed delivery procedure set forth in the "The Exchange Offer -- Procedures for Tendering Outstanding Securities" section of the Prospectus and the accompanying Letter of Transmittal.

The undersigned understands that no withdrawal of a tender of Outstanding Securities may be made on or after the Expiration Date of the Exchange Offer. The undersigned understands that for a withdrawal of a tender of Outstanding Securities to be effective, a written notice of withdrawal that complies with the requirements of the Exchange Offer must be timely received by the Exchange Agent at its address specified on the cover of this Notice of Guaranteed Delivery prior to the Expiration Date.

The undersigned understands that the exchange of Outstanding Securities for New Securities pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (i) such Outstanding Securities (or Book-Entry Confirmation of the transfer of such Outstanding Securities into the Exchange Agent's account at The Depository Trust Company ("DTC")) and (ii) a Letter of Transmittal (or facsimile thereof) with respect to such Outstanding Securities, properly completed and duly executed, with any required signature guarantees, this Notice of Guaranteed Delivery and any other documents required by the Letter of Transmittal or a properly transmitted Agent's Message. The term "Agent's Message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from each participant in DTC tendering Outstanding Securities and that such participant has received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and the Company may enforce such agreement against such participant.

All authority conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

PLEASE SIGN AND COMPLETE

Signature(s) of Registered Owner(s) or
Authorized Signatory:

Principal Amount of Outstanding Securities
Tendered:

Certificate No(s) of Outstanding Securities (if
available):

Date: ---

Name(s) of Registered Holder(s)

Address:

Area Code and
Telephone No.:

If Outstanding Securities will be delivered by book-entry transfer at The Depository Trust Company, insert:

Depository Account
No.:

This Notice of Guaranteed Delivery must be signed by the registered Holder(s) of Outstanding Securities exactly as its (their) name(s) appear on certificates for Outstanding Securities or on a security position listing as the owner of Outstanding Securities, or by person(s) authorized to become registered Holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

DO NOT SEND OUTSTANDING SECURITIES WITH THIS FORM. OUTSTANDING SECURITIES SHOULD BE SENT TO THE EXCHANGE AGENT TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL.

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or a correspondent in the United States, or otherwise an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, hereby (a) represents that each holder of Outstanding Securities on whose behalf this tender is being made "own(s)" the Outstanding Securities covered hereby within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (b) represents that such tender of Outstanding Securities complies with Rule 14e-4 of the Exchange Act and (c) guarantees that, within three New York Stock Exchange trading days from the expiration date of the Exchange Offer, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof or an Agent's Message in lieu thereof), together with certificates representing the Outstanding Securities covered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Outstanding Securities into the Exchange Agent's account at The Depository Trust Company, pursuant to the procedure for book-entry transfer set forth in the Prospectus) and required documents will be deposited by the undersigned with the Exchange Agent.

The undersigned acknowledges that it must deliver the Letter of Transmittal or an Agent's Message (as defined in the Letter of Transmittal) in lieu thereof and Outstanding Securities tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in financial loss to the undersigned.

Name of Firm:

Address:

Area Code and Telephone No.:

AUTHORIZED SIGNATURE

Name:

Title:

Date:

EXHIBIT 99.3

LETTER TO REGISTERED HOLDERS AND DTC PARTICIPANTS
REGARDING

OFFER TO EXCHANGE

8.125% NOTES DUE MARCH 15, 2012
FOR ANY AND ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012

AND

8.750% NOTES DUE MARCH 15, 2032
FOR ANY AND ALL OUTSTANDING
8.750% NOTES DUE MARCH 15, 2032

OF

THE WILLIAMS COMPANIES, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002 UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Registered Holders and The Depository Trust Company Participants:

The Williams Companies, Inc., a Delaware corporation (the "Company"), is offering to exchange, upon the terms and subject to the conditions set forth in the Prospectus dated [ ], 2002 (the "Prospectus") and the accompanying Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the "Exchange Offer"), up to $650 million aggregate principal amount of 8.125% Notes due March 15, 2012 (the "New 8.125% Notes"), for up to a like aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "Outstanding 8.125% Notes"), and up to $850 million aggregate principal amount of 8.750% Notes due March 15, 2032 (the "New 8.750% Notes", and together with the New 8.125% Notes, the "New Securities"), for up to a like aggregate principal amount of its 8.750% Notes due March 15, 2032 (the "Outstanding 8.750% Notes", and together with the Outstanding 8.125% Notes, the "Outstanding Securities"). As set forth in the Prospectus, the terms of the New Securities are identical in all material respects to the Outstanding Securities except that the New Securities have been registered under the Securities Act of 1933, as amended and therefore, will not be subject to certain restrictions on their transfer and will not contain certain provisions providing for an increase in the interest rate paid thereon.

Enclosed herewith are copies of the following documents:

1. Prospectus dated [ ], 2002

2. Letter of Transmittal for your use and for the information of your clients;

3. Notice of Guaranteed Delivery;

4. Instruction to Registered Holder or DTC Participant from Beneficial Owner; and

5. Letter which may be sent to your clients for whose account you hold registered Outstanding Securities or book-entry interests representing Outstanding Securities in your name or in the name of your nominee, to accompany the instruction form referred to above, for obtaining such client's instruction with regard to the Exchange Offer.

YOUR PROMPT ACTION IS REQUESTED. PLEASE NOTE THAT THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002, UNLESS EXTENDED. PLEASE FURNISH COPIES OF THE ENCLOSED MATERIALS TO

THOSE OF YOUR CLIENTS FOR WHOM YOU HOLD OUTSTANDING SECURITIES REGISTERED IN YOUR NAME OR IN THE NAME OF YOUR NOMINEE AS QUICKLY AS POSSIBLE.

To participate in the Exchange Offer, a beneficial holder must either (a) complete, sign and date the Letter of Transmittal and deliver it to Bank One Trust Company, National Association (the "Exchange Agent"), at the address set forth in the Letter of Transmittal, and either (i) deliver to the Exchange Agent certificates representing the registered Outstanding Securities in proper form for transfer, or (ii) cause a DTC Participant to make book-entry delivery of the Outstanding Securities; or (b) cause a DTC Participant to tender such holder's Outstanding Securities to the Exchange Agent's account maintained at The Depository Trust Company ("DTC") for the benefit of the Exchange Agent through DTC's Automated Tender Offer Program ("ATOP"), including transmission of a computer-generated message that acknowledges and agrees to be bound by the terms of the Letter of Transmittal (an "Agent's Message"). By complying with DTC's ATOP procedures with respect to the Exchange Offer, the DTC Participant confirms on behalf of itself and the beneficial owners of tendered Outstanding Securities all provisions of the Letter of Transmittal applicable to it and such beneficial owners as fully as if it completed, executed and returned the Letter of Transmittal to the Exchange Agent.

Holders who wish to tender their Outstanding Securities and (a) whose Outstanding Securities are not immediately available or (b) who cannot deliver their Outstanding Securities, the Letter of Transmittal or an Agent's Message and any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date must tender their Outstanding Securities according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus.

Pursuant to the Letter of Transmittal, each holder of Outstanding Securities will make certain representations to the Company. The enclosed "Instruction to Registered Holder or DTC Participant from Beneficial Owner" form contains an authorization by the beneficial owners of Outstanding Securities for you to make such representations.

The Exchange Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Outstanding Securities residing in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. The Exchange Offer is not conditioned upon any minimum number of Outstanding Securities being tendered.

The Company will not pay any fee or commission to any broker or dealer or to any other persons (other than the Exchange Agent) in connection with the solicitation of tenders of Outstanding Securities pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Outstanding Securities to it, except as otherwise provided in Instruction 9 of the enclosed Letter of Transmittal.

Additional copies of the enclosed material may be obtained from Bank One Trust Company, N.A., 1 Bank One Plaza, Mail Code IL1-0134, Chicago, Illinois 60670-0134.

Very truly yours,

THE WILLIAMS COMPANIES, INC.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY OTHER PERSON THE AGENT OF THE WILLIAMS COMPANIES, INC. OR BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT OR REPRESENTATION ON THEIR BEHALF IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

EXHIBIT 99.4

LETTER TO CLIENTS
REGARDING

OFFER TO EXCHANGE

8.125% NOTES DUE MARCH 15, 2012
AND
8.750% NOTES DUE MARCH 15, 2032

OF

THE WILLIAMS COMPANIES, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002 UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Our Client:

We are enclosing herewith a Prospectus, dated [ ], 2002, of The Williams Companies, Inc. (the "Company") and a related Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the "Exchange Offer") relating to the offer by the Company under the Securities Exchange Act of 1933, as amended (the "Securities Act"), to exchange up to $650 million aggregate principal amount of 8.125% Notes due March 15, 2012 (the "New 8.125% Notes"), for up to a like aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "Outstanding 8.125% Notes"), and up to $850 million aggregate principal amount of 8.750% Notes due March 15, 2032 (the "New 8.750% Notes", and together with the New 8.125% Notes, the "New Securities"), for up to a like aggregate principal amount of its 8.750% Notes due March 15, 2032 (the "Outstanding 8.750% Notes", and together with the Outstanding 8.125% Notes, the "Outstanding Securities"), upon the terms and subject to the conditions set forth in the Prospectus and the Letter of Transmittal. As set forth in the Prospectus, the terms of the New Securities are identical in all material respects to the Outstanding Securities, except that the New Securities have been registered under the Securities Act, and therefore will not be subject to certain restrictions on their transfer and will not contain certain provisions providing for an increase in the interest rate paid thereon.

The enclosed material is being forwarded to you as the beneficial owner of Outstanding Securities held by us for your account or benefit but not registered in your name. An exchange of any Outstanding Securities may only be made by us as the registered Holder pursuant to your instructions. Therefore, the Company urges beneficial owners of Outstanding Securities registered in the name of a broker, dealer, commercial bank, trust company or other nominee to contact such Holder promptly if they wish to exchange Outstanding Securities in the Exchange Offer. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER YOUR BENEFICIAL OWNERSHIP OF OUTSTANDING SECURITIES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to tender any or all of your Outstanding Securities held by us for your account or benefit pursuant to the terms and subject to the conditions of the Exchange Offer. We also request that you confirm that we may, on your behalf, make the representations contained in the Letter of Transmittal that are to be made with respect to you as beneficial owner. We urge you to read carefully the Prospectus and Letter of Transmittal before instructing us to exchange your Outstanding Securities and confirming that we may make the representations contained in the Letter of Transmittal.

Your attention is directed to the following:

(1) THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [ ], 2002, UNLESS EXTENDED (THE "EXPIRATION DATE").

(2) Tenders of Outstanding Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange offer is not conditioned upon any minimum principal amount of Outstanding Securities being tendered for exchange. However, the Exchange Offer is subject to certain conditions that may be waived by the Company and to the terms and provisions of the Registration Rights Agreement, as defined in the Prospectus.

(3) Outstanding Securities may be tendered only in denominations of $1,000 and integral multiples thereof.

(4) Holders of Outstanding Securities not tendered pursuant to the Exchange Offer will not have any further registration rights, except in certain limited circumstances requiring the filing of a Shelf Registration, as that term is defined in the Prospectus. Outstanding Securities not tendered pursuant to the Exchange Offer will continue to be subject to certain restrictions on transfer. Accordingly, the liquidity of the market for the Outstanding Securities could be adversely affected.

(5) The Company has agreed to pay the expenses of the Exchange Offer.

The Exchange Offer is not being made to, nor will tenders be accepted from or on behalf of Holders of Outstanding Securities, residing in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

If you wish us to tender any or all of your Outstanding Securities held by us for your account or benefit, please so instruct us by completing, executing and returning to us the attached instruction form. AGAIN, PLEASE NOTE THAT THE ACCOMPANYING LETTER OF TRANSMITTAL IS FURNISHED TO YOU ONLY FOR INFORMATIONAL PURPOSES, AND MAY NOT BE USED BY YOU TO EXCHANGE OUTSTANDING SECURITIES HELD BY US AND REGISTERED IN OUR NAME FOR YOUR ACCOUNT OR BENEFIT.

EXHIBIT 99.5

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER.--Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table will help determine the number to give the payer.

	FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1.	An individual's account	The individual
2.	Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals(1)
3.	Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)
4.	Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5.	Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6.	Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)
7.	a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
	b. So-called trust account that is not a legal or valid trust under State law	The actual owner(1)

	FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
8.	Sole proprietorship account	
9.	A valid trust, estate, or pension trust	Legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(4)
10.	Corporate account	The corporation
11.	Religious, charitable, or educational organization account	The organization
12.	Partnership account held in the name of the business	The partnership
13.	Association, club, or other tax-exempt organization	The organization
14.	A broker or registered nominee	The broker or nominee
15.	Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
(4) List first and circle the name of the legal trust, estate, or pension trust.

NOTE: If no name is circled or if there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under section 501(a), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments of interest not generally subject to backup withholding include the following:
- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to non-resident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

PRIVACY ACT NOTICE.--Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold a portion of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) CIVIL PENALTY FOR FALSIFYING INFORMATION. -- Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE