

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 (State or Other Jurisdiction of Incorporation or Organization) | 4922 (Primary Standard Industrial Classification Code Number) | 73-0569878 (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)

Copy to:

JOHN W. OSBORN, ESQ.
PHYLLIS G. KORFF, ESQ.
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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 |
|---|----------------------------|---|--|-------------------------------|
| 9.25% Notes due March 15, 2004..... | \$1,400,000,000 | 100% | \$1,400,000,000 | \$128,800 |

(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 SENIOR SECURED NOTES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE NEW NOTES AND IT IS NOT SOLICITING AN OFFER TO BUY THE NEW NOTES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED APRIL 4, 2002.

OFFER TO EXCHANGE
9.25% NOTES DUE MARCH 15, 2004
OF

THE WILLIAMS COMPANIES, INC.
FOR ANY AND ALL OUTSTANDING
8.25% SENIOR SECURED NOTES DUE 2004
OF

WCG NOTE TRUST AND WCG NOTE CORP., INC.

THE NEW NOTES ISSUED BY WILLIAMS:

- Maturity Date: March 15, 2004.
- Interest Rate: 9.25% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2002. Holders of new notes will receive interest from March 16, 2002.
- Resale: The new notes will be freely tradeable.

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 senior secured notes being tendered.
- Tenders: All outstanding senior secured notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of new notes that are registered under the Securities Act of 1933. If you fail to tender your outstanding senior secured notes, you will continue to hold unregistered senior secured notes of WCG Note Trust and WCG Note Corp., Inc., and your ability to transfer them could be adversely affected. In addition, you may be entitled to receive an extra payment from us if you do not exchange your senior secured notes for new notes in the exchange offer.
- Withdrawal: Tenders of outstanding senior secured notes may be withdrawn at any time prior to the expiration of the exchange offer.
- Tax Consequences: If you tender outstanding senior secured notes in the exchange offer, the exchange will be a taxable event.
- Trading: The new notes will not 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 SENIOR SECURED 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 dealer managers for the exchange offer are:

SALOMON SMITH BARNEY
BANC OF AMERICA SECURITIES LLC JPMORGAN

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, the exchange agent or any of the dealer managers is making any recommendation to you as to whether or not you should tender your outstanding senior secured 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 senior secured notes and, if so, the principal amount of senior secured notes to tender.

You should read this document and the letter of transmittal carefully before making a decision to tender your outstanding senior secured 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.

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PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus to help you understand our business and the new 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 the senior secured notes. 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.

WCG NOTE TRUST

WCG Note Trust is a statutory business trust established under the laws of the State of Delaware pursuant to a trust agreement, dated as of March 28, 2001, among Williams Communications, LLC, as holder of the beneficial ownership interests in the trust, Wilmington Trust Company, as issuer trustee, and the trust. The trust agreement may be amended by the holder of the beneficial ownership interests in the trust and the issuer trustee, subject to the consent of the trustee for the senior secured notes.

The trust was established for the limited purpose of engaging in the following activities:

- entering into, complying with its obligations under, and consummating the transactions and engaging in the activities contemplated by the indenture governing the senior secured notes and the related transaction documents to which it is a party;
- owning all the outstanding shares of WCG Note Corp., Inc.;
- issuing evidence of the beneficial ownership interests in the trust to Williams Communications, LLC;
- issuing and selling the senior secured notes together with WCG Note Corp.;
- assigning, granting, transferring, pledging, mortgaging and conveying its trust estate to the trustee for the senior secured notes;

- holding, managing and distributing to the holder of the beneficial ownership interests in the trust any portion of its trust estate released from the lien of, and remitted to the trust pursuant to, the indenture governing the senior secured notes;
- making payments to the trustee for the senior secured notes for the benefit of the holders of the senior secured notes, making payments to Williams and making distributions to the holder of the beneficial ownership interests in the trust;
- purchasing and holding a \$1.5 billion promissory note issued by Williams Communications Group, Inc. on March 28, 2001;
- receiving payments and other distributions from Williams Communications with respect to that promissory note;
- causing a sale of all or a portion of that promissory note under certain circumstances;
- engaging in those activities that are necessary to accomplish the foregoing or other incidental activities; and
- subject to compliance with the various transaction documents, engaging in such other activities as may be required or expressly permitted in connection with conservation of its trust estate and making distributions to the holder of the beneficial ownership interests in the trust.

On March 5, 2002, the indenture governing the senior secured notes was amended after we received the requisite approvals pursuant to our consent solicitation. In connection with those amendments, we entered into a payment agreement with the trust which affirmed our obligation to pay all amounts due to the holders of the senior secured notes on a timely basis if not otherwise paid.

The trust will terminate when all of its assets have been disposed of and distributed as provided in the trust agreement after the indenture governing the senior secured notes has been terminated. The trust agreement is governed by the laws of the State of Delaware. Under Delaware law, the holder of the beneficial ownership interests in the trust will not be liable for any debt, claim, demand, judgment or obligation of any kind of, against or with respect to the trust by reason of its being the beneficial owner.

WCG NOTE CORP., INC.

WCG Note Corp. is a wholly-owned special purpose subsidiary of the trust, incorporated under the laws of the State of Delaware. WCG Note Corp. has no material assets or liabilities other than as co-issuer of the senior secured notes. WCG Note Corp.'s activities are limited to issuing the senior secured notes and engaging in other incidental activities. WCG Note Corp. did not receive any of the proceeds of the offering of the senior secured notes and does not own or have a beneficial interest in the \$1.5 billion promissory note issued by Williams Communications.

MATERIAL CONTRACTS

We are not a party to any material contracts or similar arrangements with the trust or WCG Note Corp. other than the payment agreement described above and the various transaction documents we executed in connection with the issuance and sale of the senior secured notes. Williams Communications, our former telecommunications subsidiary, is an affiliate of the trust and WCG Note Corp. We have several material contracts with Williams Communications, the details of which have been previously disclosed. See "Risk Factors -- We may be subject to additional liabilities pertaining to our spun-off telecommunications business unit."

SUMMARY OF THE EXCHANGE OFFER

You are entitled to exchange in the exchange offer your outstanding senior secured notes of WCG Note Trust and WCG Note Corp., Inc. for new notes of Williams. You should read the discussion under the heading "Description of the New Notes" beginning on page 25 for information regarding the new notes.

NEW NOTES VERSUS SENIOR SECURED NOTES

The new notes differ from the senior secured notes in a variety of ways, including the following:

- the new notes will be senior unsecured obligations of Williams that rank on a parity with all other senior unsecured indebtedness of Williams, while the senior secured notes are senior secured limited recourse obligations of WCG Note Trust and WCG Note Corp., Inc.;
- interest on the new notes will accrue at the annual rate of 9.25%, while interest on the senior secured notes accrues at the annual rate of 8.25%; and
- the offering of the new notes will be registered under the Securities Act of 1933 and transfers of the new notes will be unrestricted, while the senior secured notes bear restrictive legends and are subject to restrictions on transfer.

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.

| | |
|---------------------------------------|--|
| Securities to be Exchanged.... | On March 28, 2001, WCG Note Trust and WCG Note Corp., Inc. issued and sold \$1.4 billion aggregate principal amount of outstanding 8.25% Senior Secured Notes due 2004 to initial purchasers in transactions exempt from the registration requirements of the Securities Act. |
| The Exchange Offer..... | We are offering to exchange up to \$1.4 billion aggregate principal amount of new notes of Williams for up to \$1.4 billion aggregate principal amount of outstanding senior secured notes of WCG Note Trust and WCG Note Corp. Outstanding senior secured notes may be exchanged only in integral multiples of \$1,000. |
| Record Date..... | We mailed this prospectus and the related exchange offer documents to registered holders of outstanding senior secured 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 senior secured 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 senior secured notes that you tendered but that were not accepted for exchange. |
| Conditions to the Exchange Offer..... | We will not be required to accept outstanding senior secured 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 senior secured notes being tendered. Please read the section "The Exchange Offer -- Conditions to the Exchange Offer" on page 21 for more information regarding the conditions to the exchange offer.

Procedures for Tendering
Outstanding Senior Secured
Notes.....

If your outstanding senior secured 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.

We will accept for exchange any and all outstanding senior secured notes which are properly tendered (and not withdrawn) in the exchange offer prior to the expiration date. The new notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer -- Acceptance of Outstanding Senior Secured Notes for Exchange."

Effect of Not Tendering.....

Outstanding senior secured 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 their existing terms. See "The Exchange Offer -- Consequences of Failure to Exchange." Following the completion of the exchange offer, we will have no obligation to exchange new notes for outstanding senior secured notes.

The trading market for outstanding senior secured notes not exchanged in the exchange offer may be significantly more limited than it is at present. Therefore, if your senior secured notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged senior secured notes.

In addition, as described below, you may be entitled to receive an extra payment from us if you do not exchange your senior secured notes for new notes in the exchange offer.

Extra Payments on the
Outstanding Senior Secured
Notes.....

On March 5, 2002, we received the requisite approvals for our consent solicitation to amend the terms relating to the senior secured notes. In connection with our consent solicitation, we agreed that if we had not completed an exchange offer or a similar transaction before specified dates, we would pay holders of the outstanding senior secured notes the amounts specified in the consent solicitation statement. Since we expect to complete the exchange offer before those specified dates and since the exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding senior secured notes being tendered, we do not anticipate making these additional payments to holders of the outstanding senior secured notes.

We also agreed that if we consummate the exchange offer by August 1, 2002, but less than a majority in aggregate principal amount of outstanding senior secured notes are tendered, then, on September 16, 2002, we will make an extra payment of \$18.33 in cash for each \$1,000 principal amount of outstanding senior secured notes to the registered holders of senior secured notes entitled to receive the interest payment on the senior secured notes on September 16, 2002. Holders of new notes will not be entitled to this extra payment from us. If a majority in aggregate principal amount of outstanding senior secured notes are tendered, but you do not tender your senior secured notes, you will not receive the extra payment.

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 senior secured 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 senior secured 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 senior secured 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 senior secured notes according to the guaranteed delivery procedures described in "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes -- Guaranteed Delivery" beginning on page 20.

U.S. Federal Income Tax
Consequences.....

If you are a beneficial owner of senior secured notes that is subject to U.S. federal income tax on a net income basis in respect of the senior secured notes (a "U.S. Holder") and you hold the senior secured notes as "capital assets" within the meaning of Internal Revenue Code section 1221, an exchange of senior secured notes for new notes in the exchange offer will result in your recognition of a capital gain or loss equal to the difference between the fair market value of the new notes received in the exchange and your basis in the senior secured notes (except to the extent of accrued market discount, if any, which will be treated as ordinary income to the extent of any gain that you recognize). If a U.S. Holder of senior secured notes fails to tender its outstanding senior secured notes and Williams makes the extra payment referred to above, a deemed exchange of senior secured notes for a new debt instrument will result in a U.S. Holder recognizing capital gain or loss equal to the difference between the fair market value of such new debt instrument (plus the amount of the extra payment) and the U.S. Holder's basis in such senior secured notes (except to the extent of accrued market discount, if any, which will be treated as ordinary income to the extent of any gain that is recognized).

A U.S. Holder may be subject to backup withholding on the extra payment. Please read "United States Federal Income Tax Consequences" on page 33.

Use of Proceeds..... We will not receive any cash proceeds from the issuance of the new 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."

Dealer Managers..... We have appointed Salomon Smith Barney Inc., Banc of America Securities LLC and J.P. Morgan Securities Inc. as the dealer managers for the exchange offer. See "The Exchange Offer -- Dealer Managers."

SUMMARY OF THE TERMS OF THE NEW NOTES

New Notes Offered..... Up to \$1.4 billion principal amount of 9.25% Notes due March 15, 2004 of Williams.

Maturity..... The maturity date for the new notes is March 15, 2004.

Interest Rate..... 9.25% per year.

Interest Payment Dates..... March 15 and September 15 of each year, beginning September 15, 2002. Holders of new notes will receive interest from March 16, 2002.

Use of Proceeds..... We will not receive any cash proceeds from the exchange offer.

Ranking..... The new notes will be senior unsecured obligations of Williams that will rank equally with all of our other outstanding senior unsecured indebtedness.

Optional Redemption..... We may redeem some or all of the new 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 Notes -- Terms and Conditions."

Optional Exchange..... Holders of outstanding senior secured notes may opt not to tender their senior secured notes in the exchange offer. Therefore, it is possible that not all new notes offered by this prospectus will be issued.

Covenants..... We will issue the new 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 are subject to a number of important limitations and exceptions. See "Description of the New Notes -- 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 senior secured notes before tendering their senior secured notes 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 senior secured notes in the exchange offer.

RISKS ARISING FROM THE EXCHANGE OFFER

IF A MAJORITY OF THE OUTSTANDING SENIOR SECURED NOTES ARE TENDERED IN THE EXCHANGE OFFER, WE WILL NOT MAKE AN EXTRA PAYMENT TO THE REMAINING HOLDERS OF SENIOR SECURED NOTES.

Holders of outstanding senior secured notes will not be entitled to receive an extra payment from us if a majority of the outstanding senior secured notes are tendered in the exchange offer. If we consummate the exchange offer by August 1, 2002, but less than a majority in aggregate principal amount of outstanding senior secured notes are tendered, then, on September 16, 2002, we will make an extra payment of \$18.33 in cash for each \$1,000 principal amount of outstanding senior secured notes to the registered holders of senior secured notes entitled to receive the interest payment on the senior secured notes on September 16, 2002. Therefore, in deciding whether to tender senior secured notes, holders should consider the likelihood that an extra payment will be made to them if they do not tender.

THE TRADING MARKET FOR OUTSTANDING SENIOR SECURED NOTES NOT EXCHANGED IN THE EXCHANGE OFFER MAY BE SIGNIFICANTLY MORE LIMITED THAN IT IS AT PRESENT.

To the extent that senior secured notes are tendered and accepted for exchange pursuant to the exchange offer, the trading market for senior secured notes that remain outstanding may be significantly more limited than it is at present. The senior secured 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 senior secured 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 senior secured notes exchanged pursuant to the exchange offer reduces the float. A reduced float may also make the trading price of senior secured 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 senior secured notes (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 financing, which we paid in full on March 29, 2002, and \$1.4 billion on the outstanding senior secured notes. 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 NOTES

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 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 notes in exchange for the outstanding senior secured notes. We are making this exchange solely to satisfy our obligations under the consent solicitation statement. In consideration for issuing the new notes, we will receive outstanding senior secured notes in aggregate principal amount equal to the aggregate principal amount of the new notes.

THE EXCHANGE OFFER

EXCHANGE TERMS

An aggregate of \$1.4 billion principal amount of outstanding senior secured notes are currently issued and outstanding. The maximum principal amount of new notes that will be issued in exchange for outstanding senior secured notes is \$1.4 billion.

The new notes differ from the senior secured notes in a variety of ways, including the following:

- the new notes will be senior unsecured obligations of Williams that rank on a parity with all other senior unsecured indebtedness of Williams, while the senior secured notes are senior secured limited recourse obligations of WCG Note Trust and WCG Note Corp., Inc.;
- interest on the new notes will accrue at the annual rate of 9.25%, while interest on the senior secured notes accrues at the annual rate of 8.25%; and
- the offering of the new notes will be registered under the Securities Act and transfers of the new notes will be unrestricted, while the senior secured notes bear restrictive legends and are subject to restrictions on transfer.

The new notes will bear interest at a rate of 9.25% per year, payable semiannually on March 15 and September 15 of each year, beginning September 15, 2002. Holders of new notes will receive interest accrued from March 16, 2002, the day immediately following the date of the last payment of interest on the outstanding senior secured notes. Holders of new notes will not receive any payment on account of accrued interest on outstanding senior secured notes tendered and accepted for exchange.

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 senior secured notes properly tendered in the exchange offer, and the exchange agent will deliver the new 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 senior secured 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 senior secured 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 senior secured 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 senior secured notes in connection with this exchange offer. However, senior secured notes may be tendered only 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 senior secured 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 senior secured notes tendered, regardless of when or in what order the outstanding senior secured 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 senior secured 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 notes will not be given to holders of outstanding senior secured notes who have tendered their outstanding senior secured notes.

ACCEPTANCE OF OUTSTANDING SENIOR SECURED NOTES FOR EXCHANGE

We will accept for exchange outstanding senior secured 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 senior secured notes for exchange subsequent to the expiration date of the exchange offer. Tenders of outstanding senior secured 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 senior secured 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 senior secured 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 notes will be issued only after timely receipt by the exchange agent of certificates representing outstanding senior secured 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 senior secured notes, or defectively tendered outstanding senior secured 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 notes with the exchange agent, who will act as agent for the tendering holders for the purpose of receiving the new notes and transmitting them to the holders. The exchange agent will deliver the new notes to holders of outstanding senior secured notes accepted for exchange after the exchange agent receives the new notes.

If for any reason, we delay acceptance for exchange of validly tendered outstanding senior secured notes or we are unable to accept for exchange validly tendered outstanding senior secured notes, then the exchange agent may, nevertheless, on our behalf, retain tendered outstanding senior secured 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 senior secured notes are not accepted for exchange for any reason, including if certificates are submitted evidencing more outstanding senior secured notes than those that are tendered, certificates evidencing outstanding senior secured notes that are not exchanged will be returned, without expense, to the tendering holder, or, in the case of outstanding senior secured 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 Senior Secured Notes -- Book-Entry Transfer," such outstanding senior secured notes will be credited to the account maintained at such book-entry transfer facility from which such outstanding senior secured 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 senior secured 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 senior secured 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 SENIOR SECURED NOTES

Any beneficial owner whose outstanding senior secured 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 senior secured notes should contact such registered holder promptly and instruct such registered holder to tender outstanding senior secured notes on such beneficial owner's behalf.

Tender of Outstanding Senior Secured Notes 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 senior secured 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 senior secured 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 senior secured notes that they have received and agree to be bound by the notice of guaranteed delivery.

Tender of Outstanding Senior Secured Notes Held in Physical Form. For a holder to validly tender outstanding senior secured 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 senior secured notes at such address, or such outstanding senior secured 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 senior secured notes and who cannot comply with the procedures set forth in this prospectus for tender on a timely basis or whose outstanding senior secured notes are not immediately available must comply with the procedures for guaranteed delivery set forth below.

LETTERS OF TRANSMITTAL AND OUTSTANDING SENIOR SECURED 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 SENIOR SECURED NOTES, LETTERS OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING OUTSTANDING SENIOR SECURED 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 SENIOR SECURED 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 senior secured 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 senior secured notes, or if any outstanding senior secured 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 senior secured 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 senior secured 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 senior secured 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 senior secured notes may make book-entry delivery of outstanding senior secured notes by causing the book-entry transfer facility to transfer such outstanding senior secured notes into the exchange agent's account. HOWEVER, ALTHOUGH DELIVERY OF OUTSTANDING SENIOR SECURED 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 senior secured 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 senior secured notes and:

- certificates representing your outstanding senior secured notes are not lost but are not immediately available;
- time will not permit your letter of transmittal, certificates representing your outstanding senior secured 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 senior secured notes and the principal amount of outstanding senior secured 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 senior secured 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 senior secured 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 notes will be issued in exchange for outstanding senior secured 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 senior secured 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 senior secured 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 SENIOR SECURED NOTES WILL NOT BE CONSIDERED VALID. We reserve the absolute right to

reject any or all tenders of outstanding senior secured 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 senior secured 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 senior secured notes must be cured within the time we determine, unless waived by us. Tenders of outstanding senior secured 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, the dealer managers nor any other person will be under any duty to give notice of any defects or irregularities in tenders of outstanding senior secured notes, or will incur any liability to holders for failure to give any such notice.

WITHDRAWAL OF TENDERS

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding senior secured 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 senior secured notes to be withdrawn; and
- identify the outstanding senior secured notes to be withdrawn, including the principal amount of the outstanding senior secured notes.

If outstanding senior secured 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 senior secured 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 senior secured notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any outstanding senior secured 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 senior secured notes tendered by book-entry transfer into the exchange agent's account at DTC according to the procedures described above, such outstanding senior secured notes will be credited to an account maintained with DTC for the outstanding senior secured 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 senior secured notes by following one of the procedures described under "-- Procedures for Tendering Outstanding Senior Secured Notes" 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 notes for, any outstanding senior secured 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 senior secured 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;
- any legal action has been instituted or threatened that would impair our ability to proceed with the exchange offer; or
- any other change occurs or is threatened which, in our reasonable judgment, makes it inadvisable to proceed with the exchange offer.

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 senior secured notes for new notes in the exchange offer, your senior secured notes will remain outstanding and will continue to be subject to their existing terms. The senior secured notes will continue to be senior secured limited recourse obligations of WCG Note Trust and WCG Note Corp., Inc. In addition, interest on the senior secured notes will continue to accrue at the annual rate of 8.25%. Moreover, the senior secured notes will continue to be subject to restrictions on transfer:

- as set forth in the legend printed on the senior secured notes as a consequence of the issuance of the outstanding senior secured 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 offering of the outstanding senior secured notes.

In general, you may not offer or sell the outstanding senior secured notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws.

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

In addition, as described below, you may be entitled to receive an extra payment from us if you do not exchange your senior secured notes for new notes in the exchange offer.

EXTRA PAYMENTS ON THE SENIOR SECURED NOTES

On March 5, 2002, we received the requisite approvals for our consent solicitation to amend the terms relating to the senior secured notes. In connection with our consent solicitation, we agreed that if we had not completed an exchange offer or a similar transaction before specified dates, we would pay holders of the outstanding senior secured notes the amounts specified in the consent solicitation statement. Since we expect to complete the exchange offer before those specified dates and since the exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding senior secured notes being tendered, we do not anticipate making these additional payments to holders of the outstanding senior secured notes.

We also agreed that if we consummate the exchange offer by August 1, 2002, but less than a majority in aggregate principal amount of outstanding senior secured notes are tendered, then, on September 16, 2002, we will make an extra payment of \$18.33 in cash for each \$1,000 principal amount of outstanding senior secured notes to the registered holders of senior secured notes entitled to receive the interest payment on the senior secured notes on September 16, 2002. Holders of new notes will not be entitled to this extra payment from us.

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 senior secured 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

DEALER MANAGERS

We have retained Salomon Smith Barney Inc., Banc of America Securities LLC and J.P. Morgan Securities Inc. to act as dealer managers in connection with the exchange offer. We will pay a customary fee to the dealer managers for soliciting the exchange of senior secured notes in the exchange offer. We will also reimburse the dealer managers for their reasonable out-of-pocket expenses. The obligation of the dealer managers to perform this function is subject to customary conditions. We have agreed to indemnify the dealer managers against certain liabilities, including liabilities under federal securities laws. Questions regarding the terms of the exchange offer may be directed to the dealer managers at the addresses and telephone numbers below:

Salomon Smith Barney Inc.
390 Greenwich Street
New York, New York 10013
Attn: Liability Management Group
(800) 558-3745 (call toll free)

Banc of America Securities LLC
100 North Tryon Street
8th Floor
Charlotte, North Carolina 28255
Attn: Liability Management
(866) 475-9886 (call toll free)

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017
Attn.: Akis Psarris
(866) 834-4666 (call toll free)

Salomon Smith Barney Inc. acted as our consent solicitation agent in connection with the solicitation of consents to amend the terms of the indenture governing the senior secured notes, in connection with which engagement it received customary fees for its services. The dealer managers and their respective affiliates have provided, or may from time to time be engaged to provide, investment banking, financial advisory and/or commercial banking services to us or our affiliates, for which services they have received or will receive customary compensation.

In addition, at any given time, the dealer managers and their respective affiliates may trade or hold, or may have traded or held, senior unsecured notes or securities issued by us or our affiliates, for their own account or for the accounts of customers, and, accordingly, may hold or may have held a long or short position in the senior secured notes or such other securities.

FEES AND EXPENSES

Except for customary fees we have agreed to pay the dealer managers and the exchange agent, we will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of outstanding senior secured notes pursuant to the exchange offer.

TRANSFER TAXES

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

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

DESCRIPTION OF THE NEW NOTES

We will issue the new notes under an indenture dated as of November 10, 1997, as amended by an eighth supplemental indenture dated , 2002, between us and Bank One Trust Company, N.A., as trustee.

The terms of the new 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 new notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as holders of the new notes. Copies of the indenture and the eighth 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 notes will mature on March 15, 2004. The new notes will bear interest from March 16, 2002, the day immediately following the date of the last payment of interest on the outstanding senior secured notes, at the rate of 9.25% 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 name the new notes are registered at the close of business on the preceding March 1 and September 1, respectively, subject to certain exceptions. Interest on the new notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

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

The new 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 notes then outstanding to be redeemed, or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the maturity date computed by discounting such payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the sum of 50 basis points plus the Adjusted Treasury Rate, as defined below, on the third Business Day, as defined below, prior to the redemption date, as calculated by an Independent Investment Banker, as defined below.

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 notes to be redeemed. If we elect to partially redeem the new notes, the trustee will select in a fair and appropriate manner the new 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 notes or portions thereof called for redemption.

There will be no provision for a sinking fund applicable to the new notes.

We may, from time to time, without the consent of the existing holders of the new notes, issue additional notes under the indenture having the same ranking and the same interest rate, maturity and other terms as the new notes in all respects except the issue date, the issue price and the initial interest payment date. Any additional notes will, together with the new 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 the new 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, neither the indenture nor the new notes contains any covenants or other provisions designed to afford holders of the new 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 new notes will constitute a new 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 and the new 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 notes.

"Adjusted Treasury Rate" means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Optional Redemption Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the new notes, yields for the two published maturities most closely corresponding to the Optional Redemption Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Optional Redemption Comparable Treasury Issue, calculated using a price for the Optional Redemption Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Optional Redemption Comparable Treasury Price for such redemption date.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

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

"Consolidated Net Tangible Assets" means the total assets appearing on our consolidated balance sheet 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 our indebtedness or the indebtedness of any of our 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 us or such subsidiary. Funded Indebtedness also does not include our indebtedness or the indebtedness of any of our 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 we or any of our subsidiaries have not guaranteed the repayment of the production payment.

"Independent Investment Banker" means Salomon Smith Barney Inc. and any successor firm, or if any such firm is unwilling or unable to serve as such, an independent investment banking institution of national standing appointed by us.

"Optional Redemption Reference Treasury Dealer" means each of up to five dealers to be selected by us, and their respective successors; provided that if any of the foregoing ceases to be, and has no affiliate that is, a U.S. government securities dealer, we will substitute for it another U.S. government securities dealer.

"Optional Redemption Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the new 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 the new notes or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Optional Redemption Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the new notes.

"Optional Redemption Comparable Treasury Price" means (1) the average of five Optional Redemption Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Optional Redemption Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Optional Redemption Reference Treasury Dealer Quotations, the average of all such quotations.

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

"Subsidiary" means a corporation of which we, or any of our subsidiaries, own at least a majority of the outstanding securities which have voting power.

BOOK-ENTRY ONLY ISSUANCE -- THE DEPOSITORY TRUST COMPANY

The new 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 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 through 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 depository 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 depository 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.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

In the opinion of White & Case LLP, special tax counsel to Williams, the following is a summary of certain U.S. federal income tax consequences of the exchange offer that may be relevant to you if you are a beneficial owner of senior secured notes that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the senior secured notes (a "U.S. Holder"). The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The discussion does not deal with classes of beneficial owners subject to special tax rates, and does not describe any tax consequences arising out of the laws of any state or local or foreign jurisdiction. The discussion assumes that the senior secured notes are held as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended ("IRC").

EFFECT OF EXCHANGE

Upon an exchange of senior secured notes for new notes, an exchanging U.S. Holder generally will recognize capital gain or loss equal to the difference between the fair market value of the new notes

received in the exchange and the U.S. Holder's basis in the senior secured notes. Any gain from an exchange of senior secured notes will be treated as ordinary income, however, to the extent of any accrued market discount on the exchanged senior secured note. Market discount only arises when a senior secured note is acquired after its original issue for an amount less than the stated redemption price of the senior secured note. The amount of accrued market discount that would be recognized on the exchange equals the portion of the total market discount on a senior secured note that is allocable to the period from the date that the U.S. Holder acquires the senior secured note until the date such U.S. Holder exchanges the senior secured note for a new note. In addition, the new notes may be treated as issued with original issue discount ("OID"), if the "stated redemption price at maturity" ("SRPM") of the new notes is more than the "issue price" of the new notes. The SRPM of a new note will equal its stated principal amount. The issue price of a new note will be its fair market value on the date of the exchange. Subject to a de minimis rule, such OID will be the amount equal to the excess of the SRPM over the issue price. If the new notes are treated as issued with OID, a U.S. Holder generally must include in gross income a portion of the total OID that accrues on each day that the new notes are held, calculated under a constant yield method, regardless of the U.S. Holder's method of accounting and without regard to the timing of actual payments.

EFFECT OF NOT TENDERING SENIOR SECURED NOTES FOR EXCHANGE

Under general principles of federal income tax law, the modification of a debt instrument creates a deemed exchange upon which gain or loss is realized (a "Deemed Exchange") if the modified debt instrument differs materially either in kind or in extent from the original debt instrument. A modification of a debt instrument that is not a significant modification does not create a Deemed Exchange.

If Williams has completed the exchange offer by August 1, 2002, but less than a majority in aggregate principal amount of senior secured notes are tendered therein, then on September 16, 2002, Williams will make an extra payment of \$18.33 in cash for each \$1,000 principal amount of outstanding senior secured notes to U.S. Holders entitled to receive the interest payment due on the senior secured notes on September 16, 2002 (the "Extra Payment"). U.S. Holders of the new notes will not be entitled to this extra payment.

The Extra Payment of \$18.33 in cash for each \$1,000 principal amount of outstanding senior secured notes held by a U.S. Holder will cause a Deemed Exchange of such outstanding senior secured notes because such payment will constitute a significant modification to the terms of the senior secured notes for U.S. federal income tax purposes as defined in Treasury Regulation section 1.1001-3 resulting in the Deemed Exchange of a new debt instrument (the "New Debt Instrument") for each senior secured note. Accordingly, each U.S. Holder of a senior secured note that receives the Extra Payment will recognize capital gain or loss equal to the difference between the fair market value of the New Debt Instrument (plus \$18.33 in cash for each \$1,000 principal amount of senior secured notes held by the U.S. Holder on September 16, 2002) and the U.S. Holder's basis in such senior secured notes (except to the extent of accrued market discount, if any, which will be treated as ordinary income to the extent of any gain that is recognized).

U.S. Holders should consult their tax advisors on the applicability of the wash sale rules, which disallow certain losses, to any losses realized on a Deemed Exchange.

In the event that a Deemed Exchange occurs, the resulting New Debt Instrument may be treated as issued with OID. If a New Debt Instrument is treated as issued with OID, a U.S. Holder generally must include in gross income a portion of the total OID that accrues on each day the U.S. Holder holds the Instrument, calculated under a constant yield method, regardless of such U.S. Holder's method of accounting and without regard to the timing of actual payments.

BACKUP WITHHOLDING

A U.S. Holder may be subject to backup withholding on the Extra Payment unless such U.S. Holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or

(ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding from the Extra Payment will be allowed as a credit against such U.S. Holder's federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

FOREIGN HOLDERS

Beneficial owners of senior secured notes who are not "U.S. persons" (within the meaning of section 7701(a)(30) of the IRC) are urged to consult their own tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a withholding tax exemption and refund procedures.

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 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. White & Case LLP, Washington, D.C., special tax counsel for Williams, will pass upon certain federal income tax consequences of the exchange offer.

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, 2002, 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 | Form of Eighth Supplemental Indenture between the registrant and Bank One Trust Company, N.A., as trustee. |
| 5.1 | Opinion of William G. von Glahn, Esq., as to the validity of the new notes. |
| 8.1 | Opinion of White & Case LLP, as to certain tax matters. |
| 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 White & Case LLP. |
| 24.1 | Power of Attorney. |
| 24.2 | Certified copy of resolutions authorizing signatures pursuant to Power of Attorney. |

EXHIBIT
NUMBER

EXHIBIT

- 25.1 Statement of Eligibility of Bank One Trust Company, N.A., as trustee, on Form T-1 with respect to the issuance of 9.25% Notes due March 15, 2004, 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 |

SIGNATURE

TITLE

DATE

/s/ W. R. HOWELL*

Director

April 4, 2002

W. R. Howell

/s/ JAMES C. LEWIS*

Director

April 4, 2002

James C. Lewis

/s/ CHARLES M. LILLIS*

Director

April 4, 2002

Charles M. Lillis

/s/ GEORGE A. LORCH*

Director

April 4, 2002

George A. Lorch

/s/ FRANK T. MACINNIS*

Director

April 4, 2002

Frank T. MacInnis

/s/ GORDON R. PARKER*

Director

April 4, 2002

Gordon R. Parker

/s/ JANICE D. STONEY*

Director

April 4, 2002

Janice D. Stoney

/s/ JOSEPH H. WILLIAMS*

Director

April 4, 2002

Joseph H. Williams

*By:

/s/ SUZANNE H. COSTIN

Suzanne H. Costin
Attorney-in-Fact
Dated: April 4, 2002

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| 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. |

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* Indicates exhibits incorporated by reference as indicated.

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THE WILLIAMS COMPANIES, INC.

AND

BANK ONE TRUST COMPANY, N.A.,

as Trustee

Eighth Supplemental Indenture

Dated as of [____], 2002

To

Indenture

Dated as of November 10, 1997

9.25% Notes due March 15, 2004

=====

EIGHTH SUPPLEMENTAL INDENTURE, dated as of [____], 2002 (this "Eighth Supplemental Indenture"), between THE WILLIAMS COMPANIES, INC., a corporation duly organized and existing under the laws of the State of Delaware (the "Issuer"), having its principal office at One Williams Center, Tulsa, Oklahoma 74172, and BANK ONE TRUST COMPANY, N.A. (successor in interest to THE FIRST NATIONAL BANK OF CHICAGO), as Trustee (the "Trustee") under the Indenture, dated as of November 10, 1997, between the Issuer and the Trustee (the "Original Indenture").

WHEREAS, the Issuer has executed and delivered the Original Indenture to the Trustee to provide for the issuance from time to time of its senior, unsecured notes, debentures or other evidences of indebtedness (the "Securities"), to be issued in one or more series as in the Original Indenture provided;

WHEREAS, pursuant to the terms of the Original Indenture, the Issuer desires to make, execute and deliver to the Trustee this Eighth Supplemental Indenture to the Original Indenture in order to establish the form and terms of, and to provide for the creation and issue of, a new series of its Securities designated as the 9.25% Notes due March 15, 2004 (herein called the "Notes"), under the Original Indenture in the aggregate principal amount of \$1,400,000,000;

WHEREAS, all things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee and issued upon the terms and subject to the conditions hereinafter and in the Indenture set forth, against payment therefor, the valid, binding and legal obligations of the Issuer and to make this Eighth Supplemental Indenture a valid, binding and legal agreement of the Issuer, have been done;

NOW THEREFORE, for, and in consideration of, the premises and covenants contained in the Original Indenture and this Eighth Supplemental Indenture and the purchase of the Notes by the Holders thereof, it is mutually agreed and covenanted, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Defined Terms. Except as otherwise expressly provided in this Eighth Supplemental Indenture or in the form of Note set forth in Exhibit A hereto or otherwise clearly required by the context hereof or thereof, all capitalized terms used and not defined herein or in said form of Note that are defined in the Original Indenture shall have the meanings assigned to them in the Original Indenture. The Original Indenture, as supplemented from time to time, including by this Eighth Supplemental Indenture, is hereafter referred to as the "Indenture."

ARTICLE II

TERMS OF THE NOTES

Section 2.1 Establishment of the Notes. There is hereby authorized a series of Securities designated the 9.25% Notes due March 15, 2004, limited in aggregate principal amount to \$1,400,000,000 (except as provided in Section 2.3(2) of the Original Indenture). The Issuer may, without the consent of the Holders of the Notes, provided that no Event of Default shall have occurred and be continuing, issue additional Notes in such principal amount as shall be determined by or pursuant to a Board Resolution and having the same ranking and the same interest rate, maturity or other terms as the Notes originally issued hereunder, which together with said additional Notes shall constitute a single series of Securities under the Indenture. The Notes shall be substantially in the form set forth in Exhibit A hereto and shall include substantially the legends set forth on the face thereof.

Section 2.2 Terms of the Notes. The terms and provisions of the Notes as set forth in Exhibit A are hereby incorporated in and expressly made part of this Eighth Supplemental Indenture.

The Notes will mature and the principal thereof will be due and payable, together with all accrued and unpaid interest thereon, on March 15, 2004.

The Notes shall bear interest at the rate of 9.25% per annum.

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

Payment of the principal of (and premium, if any) and interest on the Notes will be made at the office or agency of the Issuer maintained for that purpose in the Borough of Manhattan, the City and State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts and in immediately available funds; provided, however, that at the option of the Issuer payment of interest may be made by wire transfer of immediately available funds to an account of the Person entitled thereto as such account shall be provided to the Trustee at least 15 days prior to the relevant payment date or by check in New York Clearinghouse Funds mailed to the address of the person entitled thereto as such address shall appear in the registry books of the Issuer.

Initially the Notes will be issued in global form registered in the name of Cede & Co. (as nominee for The Depository Trust Company (the "Depository"), the initial securities depository for the Notes), and may bear such legends as the Depository may reasonably request. So long as the Notes are outstanding in global form registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest will be made by the Issuer in immediately available funds.

No service charge shall be made for the registration of transfer or exchange of the Notes; provided, however, that the Issuer may require payment of a sum sufficient to cover any

tax or other governmental charge that may be imposed in connection with the exchange or transfer.

The Notes shall not be superior in right of payment to, and shall rank pari passu with, all other unsecured and unsubordinated Indebtedness of the Issuer.

The Notes shall be issued in minimum denominations of \$1,000 or any integral multiple of \$1,000 over such denomination.

Section 2.3 Global Notes. Unless and until it is exchanged for the Notes in registered form, one or more global Notes in principal amount equal to the aggregate principal amount of all outstanding Notes ("Global Notes") may be transferred, in whole but not in part, only to the Depository or a nominee of the Depository, or to a successor Depository selected or approved by the Issuer or to a nominee of such successor Depository.

If at any time (i) the Depository notifies the Issuer that it is unwilling or unable to continue as a Depository for the Global Notes and no successor Depository shall have been appointed within 90 days after such notification, (ii) the Depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934 at any time the Depository is required to be so registered to act as such Depository and no successor Depository shall have been appointed within 90 days after the Issuer's becoming aware of the Depository's ceasing to be so registered, (iii) the Issuer, in its sole discretion, determines that the Global Notes shall be exchangeable for Notes in definitive registered form or (iv) there shall have occurred and be continuing an Event of Default, the Issuer will execute, and subject to Article Five of the Original Indenture, the Trustee, upon written notice from the Issuer, will authenticate and deliver the Notes in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Note in exchange for such Global Note.

Upon exchange of the Global Note for such Notes in definitive registered form without coupons, in authorized denominations, the Global Note shall be cancelled by the Trustee. Such Notes in definitive registered form issued in exchange for the Global Note shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Depository for delivery to the Persons in whose names such Securities are so registered.

ARTICLE III

Section 3.1 Execution Of Notes. The Notes shall be executed as follows:

The Notes shall be signed on behalf of the Issuer 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 Issuer 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 Issuer 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 Issuer, 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 Issuer; and any Note may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Note, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Eighth Supplemental Indenture any such person was not such an officer.

ARTICLE IV

SUNDRY PROVISIONS

Section 4.1 Execution, Authentication and Delivery of the Notes. Notes in the aggregate principal amount of \$1,400,000,000, or in such greater principal amount as shall be permitted by Section 2.1, may, upon execution of this Eighth Supplemental Indenture, or from time to time thereafter, be executed by the Issuer and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes upon an Issuer Order without any further action by the Issuer.

Section 4.2 Paying Agent and Security Registrar. Bank One Trust Company, N.A. will be the paying agent and registrar for the Notes.

Section 4.3 Trustee Not Responsible for Recitals. The recitals contained in this Eighth Supplemental Indenture shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Eighth Supplemental Indenture.

Section 4.4 Incorporation of Indenture. The Original Indenture, as supplemented by this Eighth Supplemental Indenture, is in all respects ratified and confirmed, and this Eighth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

Section 4.5 Governing Law. This Eighth Supplemental Indenture shall be deemed to be a contract under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of such State, except as may otherwise be required by mandatory provisions of law.

Section 4.6 Counterparts. This Eighth 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 one and the same instrument.

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

THE WILLIAMS COMPANIES, INC.

By: _____
Name:
Title:

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

By: _____
Name:
Title:

[FORM OF FACE OF NOTE]

[IF THE NOTE IS TO BE A GLOBAL NOTE, INSERT:] THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY OR A NOMINEE OF THE DEPOSITORY TRUST COMPANY. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCED DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TRUST COMPANY TO A NOMINEE OF THE DEPOSITORY TRUST COMPANY OR BY A NOMINEE OF THE DEPOSITORY TRUST COMPANY TO THE DEPOSITORY TRUST COMPANY OR ANOTHER NOMINEE OF THE DEPOSITORY TRUST COMPANY OR TO A SUCCESSOR DEPOSITORY OR TO A NOMINEE OF SUCH SUCCESSOR) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE WILLIAMS COMPANIES, INC.

9.25% NOTE DUE MARCH 15, 2004

CUSIP No. []
No. []

[\$]

THE WILLIAMS COMPANIES, INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Issuer," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to [], or registered assigns, the principal sum of [] on March 15, 2004 (the "Maturity Date"), unless earlier redeemed or repurchased, and to pay interest thereon in the manner and on the Interest Payment Dates set forth below at the rate of 9.25% per annum, from and including March 16, 2002, or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. "Regular Record Date" shall mean the March 1 and September 1 (whether or not a Business Day) next preceding such Interest Payment Date. "Interest Payment Date" shall mean March 15 and September 15 of each year, commencing September 15, 2002, to the Maturity Date.

Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more predecessor Securities) is registered at the close of business on a subsequent record date (a "Special Record Date") for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 15 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Issuer maintained for that purpose in the Borough of Manhattan, the City and State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts and in immediately available funds; provided, however, that at the option of the Issuer payment of interest may be made by wire transfer of immediately available funds to an account of the Person entitled thereto as such account shall be provided to the Trustee at least 15 days prior to the relevant payment date or by check in New York Clearinghouse Funds mailed to the address of the Person entitled thereto as such address shall appear in the registry books of the Issuer.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, The Williams Companies, Inc. has caused this instrument to be duly executed under its corporate seal.

Dated: [_____]

THE WILLIAMS COMPANIES, INC.

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

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

By: _____
Authorized Officer

Dated: [_____]

[FORM OF REVERSE OF NOTE]

THE WILLIAMS COMPANIES, INC.

9.25% NOTE DUE MARCH 15, 2004

This Security is one of a duly authorized issue of securities of the Issuer (the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of November 10, 1997 (the "Original Indenture"), 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, a Seventh Supplemental Indenture, dated as of March 19, 2002, and an Eighth Supplemental Indenture, dated as of [____], 2002 (the "Eighth Supplemental Indenture" and the Original Indenture, as so supplemented, the "Indenture"), each between the Issuer and Bank One Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Eighth Supplemental Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Issuer, the Trustee and the Holders and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is a Global Security representing \$[____] aggregate principal amount of the Issuer's 9.25% Notes due March 15, 2004. The Securities of this series of which this Global Security is a part are limited in aggregate principal amount to \$1,400,000,000, except as provided in the Eighth Supplemental Indenture.

Optional Redemption. The Securities of this series are redeemable, in whole or in part, at any time, at the option of the Issuer, at a redemption price equal to the greater of:

- o 100% of the principal amount of the Securities of this series then outstanding to be redeemed, or
- o the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the Maturity Date computed by discounting such payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the sum of 50 basis points plus the Adjusted Treasury Rate on the third Business Day prior to the redemption date, as calculated by an Independent Investment Banker.

"Adjusted Treasury Rate" means, with respect to any redemption date:

- o the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Optional Redemption Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Securities of this series, yields for the two published maturities most closely corresponding to the Optional

Redemption Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

- o if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Optional Redemption Comparable Treasury Issue, calculated using a price for the Optional Redemption Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Optional Redemption Comparable Treasury Price for such redemption date.

"Independent Investment Banker" means [Salomon Smith Barney Inc.] and any successor firm, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by the Issuer.

"Optional Redemption Reference Treasury Dealer" means each of up to five dealers to be selected by the Issuer, and their respective successors; provided that if any of the foregoing ceases to be, and has no affiliate that is, a U.S. government securities dealer (a "Primary Treasury Dealer"), the Issuer will substitute for it another Primary Treasury Dealer.

"Optional Redemption Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities of this series 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 Securities or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Optional Redemption Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the Securities.

"Optional Redemption Comparable Treasury Price" means (1) the average of five Optional Redemption Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Optional Redemption Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Optional Redemption Reference Treasury Dealer Quotations, the average of all such quotations.

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

The Issuer 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 Securities to be redeemed. If the Issuer elects to partially redeem the Securities, the Trustee will select in a fair and appropriate manner the Securities to be redeemed. The Issuer shall give the Trustee notice of the redemption price shortly after the calculation thereof.

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 Securities or portions thereof called for redemption.

Usury. The interest rate on the Securities of this series shall in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

Defeasance. The Indenture contains provisions for defeasance of (a) the entire Indebtedness evidenced by this Security and (b) certain restrictive covenants upon compliance by the Issuer with certain conditions set forth therein.

Events of Default. If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

Amendment to Indenture; Waiver of Defaults. The Indenture permits the Issuer and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of each series issued under the Indenture then outstanding and affected, to execute supplemental indentures adding any provisions to or changing in any manner the rights of the Holders of each series so affected; provided that the Issuer and the Trustee may not, without the consent of the Holder of each outstanding Security affected thereby, (a) extend the final maturity of any such Security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption or repayment thereof, or change the currency of payment thereof, or impair or affect the rights of any Holder to institute suit for the payment; or (b) reduce the aforesaid percentage in principal amount of Securities. The Indenture contains provisions permitting the Holders of not less than a majority in aggregate principal amount of the Securities of all series with respect to which a default under the Indenture shall have occurred and be continuing (voting as one class), on behalf of the Holders of all Securities of all such series, to waive certain past defaults under the Indenture and their consequences with certain conditions set forth therein. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

Obligations Unconditional. No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of, premium, if any, and interest, if any, on this Security at the time, place and rate, and in the coin or currency, herein prescribed unless otherwise agreed between the Issuer and the registered Holder of this Security.

Transfer and Exchange. This Security shall be exchangeable for Securities registered in the names of Persons other than the Depository with respect to such series or its nominee only as provided in this paragraph. This Security shall be so exchangeable if (x) the Depository notifies the Issuer that it is unwilling or unable to continue as Depository for such series or at any time ceases to be a clearing agency registered as such under the Exchange Act, or (y) the Issuer executes and delivers to the Trustee an Officers' Certificate providing that this Security shall be so exchangeable. Securities so issued in exchange for this Security shall be of the same series, having the same interest rate, if any, and maturity and having the same terms as this Security, in authorized denominations and in the aggregate having the same principal amount as this Security and registered in such names as the Depository for such Global Security shall direct. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of a Security of the series of which this Security is a part is registrable in the registry books of the Issuer, upon surrender of this Security for registration of transfer at the office or agency of the Issuer in any place where the principal of (and premium, if any) and interest, if any, on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer

and the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in minimum denominations of \$1,000 or any integral multiple of \$1,000 over such minimum denomination. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

Governing Law. This Security shall be governed by, and construed in accordance with, the laws of the State of New York.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (we) assign and transfer this Security to

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Security on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No: _____

SIGNATURE GUARANTEE: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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 the issuance by the Company of up to \$1,400,000,000 aggregate amount of its 9.25% notes due March 15, 2004 (the "Exchange Securities"), registered pursuant to the Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), in exchange for up to \$1,400,000,000 aggregate amount of 8.25% Senior Secured Notes due March 15, 2004 issued by WCG Note Trust and WCG Note Corp., Inc. (the "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 Eighth Supplemental Indenture (the "Indenture").

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, the Indenture has been duly executed and delivered, 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

[WHITE & CASE LETTERHEAD]

April 4, 2002

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

Dear Sirs:

Reference is made to The Williams Companies, Inc. Form S-4 Registration Statement, dated April 3, 2002 (the "Registration Statement"). We have functioned as special tax counsel to The Williams Companies, Inc. with respect to the transactions described in the Registration Statement.

We are pleased to advise you that, in our opinion, the statements under the caption "United States Federal Income Tax Consequences" in the Registration Statement, to the extent that they constitute a description of the tax laws and regulations of the United States, of any of its agencies, authorities or other government or quasi-governmental bodies, or documents or proceedings or conclusions of United States law, are correct in all material respects.

Very truly yours,

/s/ WHITE & CASE LLP

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 \$1.4 billion of 9.25% 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

CONSENT OF WHITE & CASE LLP

SPECIAL TAX COUNSEL'S CONSENT

We consent to the reference to our firm in the Form S-4 Registration Statement of The Williams Companies, Inc. dated April 3, 2002, under the headings "Federal Income Tax Consequences" and "Legal Matters." In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

WHITE & CASE LLP
Washington, D.C.

April 4, 2002

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 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 a registration statement on Form S-4 for the registration under the Securities Act of 1933, as amended, and exchange of 9.25% Notes due March 15, 2004 of Williams (the "Notes") and any and all amendments and post-effective amendments to said registration statement 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 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 statement 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 27th day of March, 2002.

/s/ Steven J. Malcolm

/s/ Jack D. McCarthy

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

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

/s/ Gary R. Belitz

/s/ Keith E. Bailey

Gary R. Belitz
Controller
(Principal Accounting Officer)

Keith E. Bailey
Chairman of the Board

Hugh M. Chapman
Director

/s/ Thomas A. 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

ATTEST:

/s/ Suzanne H. Costin

Suzanne H. Costin
Secretary

/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

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 27, 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 offer to exchange (the "Exchange Offer") a new series of debt securities of the Company (the "New Notes") for any and all 8.25% Senior Secured Notes due 2004 of WCG Note Trust and WCG Note Corp., Inc. (the "Outstanding Senior Secured Notes"); and

WHEREAS the Board of Directors wishes to grant certain officers of the Company authority to establish and approve the terms of the New Notes and the Exchange Offer;

NOW, THEREFORE, BE IT:

RESOLVED that the Exchange Offer, including the creation, offer, issuance and exchange by the Company of the New Notes for the Outstanding Senior Secured Notes validly tendered and accepted, be, and they hereby are, authorized and approved.

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, including indentures supplemental thereto or to any existing indenture of the Company (the "Indenture") between the Company and a trustee to be determined by the Designated Officer executing such Indenture (the "Trustee"), for the purpose of providing for the issuance, registration, transfer, exchange and payment of the New Notes to be issued pursuant thereto, 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 any Designated Officer be, and each of them hereby is, authorized for and on behalf of the Company, to execute and deliver, in connection with the Exchange Offer, and to request the Trustee to authenticate and deliver when so executed and delivered, upon tendering of the Outstanding Senior Secured Notes, New Notes to holders or designees of holders that have tendered the Outstanding Senior Secured Notes accepted in the Exchange Offer, and to perform all of the agreements and obligations of the Company relating to the Exchange Offer and the New Notes and to consummate the transactions contemplated thereby; and that such Designated Officers be, and each of them hereby is, authorized to execute and deliver such other agreements and documents relating to the Exchange Offer or the New Notes as such Designated Officer deems necessary or appropriate.

RESOLVED that the Designated Officers be, and each of them hereby is, in accordance with the authorizations set forth in these resolutions, authorized to cause the Company to issue the New Notes to be offered in exchange for any and all Outstanding Senior Secured Notes pursuant to the terms and conditions of the Exchange Offer, and to determine, approve or appoint, as the case may be:

(a) the exact aggregate principal amount of the New Notes, provided that the aggregate principal amount of the New Notes to be issued pursuant to these resolutions shall not exceed One Billion Four Hundred Million Dollars (\$1,400,000,000);

(b) the designation of the New Notes as unsecured and unsubordinated indebtedness of the Company;

(c) the terms and rights of the New Notes, consistent with the terms of the Indenture;

(d) the maturity of the New Notes; provided, however, that the maturity of the New Notes may not exceed the maturity of the Outstanding Senior Secured Notes;

(e) the fees and commissions to be paid to any dealer managers, brokers, dealers or others for soliciting acceptances of the Exchange Offer;

(f) the rate or rates at which the New Notes shall bear interest, which rate or rates shall be fixed; provided,

however, that the interest rate of the New Notes may not exceed 9.25% per annum;

(g) 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;

(h) the place or places where the principal of, premium, if any, and interest, if any, on the New Notes shall be payable;

(i) the option, if any, of the Company to redeem the New Notes 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 the New Notes may be redeemed, in whole or in part, pursuant to such option;

(j) the obligation, if any, of the Company to redeem, purchase or repay the New Notes 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 the New Notes shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation or option;

(k) the denominations and currencies, including U.S. dollars, foreign currencies and composite currencies, in which the New Notes shall be issuable and payable and the election, if any, of holders of the New Notes to receive payment of principal (and premium, if any) and interest in a currency other than the currency in which such New Notes were issued;

(l) such other terms, conditions and provisions as any such Designated Officer shall deem appropriate; and

(m) the forms of the New Notes.

RESOLVED that any Designated Officer be, and each of them 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 New Notes and the Exchange Offer, 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 Indenture, the terms of the New Notes and the terms and conditions of the Exchange Offer; 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 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 the Trustee as may be necessary in order to authorize the authentication and delivery by the Trustee of the New Notes.

RESOLVED that any Designated Officer be, and each of them hereby is, authorized to cause the Company to enter into an agreement (the "Dealer Manager Agreement") with such investment banking company or companies as any such Designated Officer may choose (the "Dealer Managers"), and with such additional or successor Dealer Managers 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 Dealer Manager Agreement.

RESOLVED that any Designated Officer be, and each of them hereby is, authorized on behalf of the Company to enter into an agreement (the "Exchange Agreement") with such banking or trust company or companies as any such Designated Officer may choose (the "Exchange Agent"), and with such additional or successor Exchange 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 Exchange Agreement.

RESOLVED that the Company is hereby authorized to register under the Securities Act of 1933, as amended (the "Securities Act"), the New Notes and the Exchange Offer to allow the recipients

of the New Notes to resell or otherwise transfer the New Notes 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 of them 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-4 (the "Registration Statement"), and any and all exhibits and documents relating thereto in connection with the registration of the New Notes and the Exchange Offer.

RESOLVED that the officers of the Company be, and each of them 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 a prospectus (the "Prospectus") in connection with the Exchange Offer.

RESOLVED that the officers of the Company be, and each of them 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 Registration Statement, or supplements to the Prospectus 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 Registration Statement.

RESOLVED that any Designated Officer be, and each of them hereby is, authorized, for and on behalf of the Company, to take any and all such actions as they, upon advice of counsel, deem necessary or appropriate to effect the registration or qualification (or exemption therefrom) of all or such part of the New Notes, if any, as such Designated Officer may deem necessary or appropriate for the issue, offer, sale or trade under the "blue sky" or securities laws of any of the states of the United States of America or foreign jurisdictions, including, without limitation, to prepare, execute, deliver, file or cause to be published any applications, reports, consents to service of process, issuer's covenants, appointments of attorneys to receive

service of process and other documents and instruments which may be required under such laws, and to take any and all such further actions as they, upon advice of counsel, deem necessary or appropriate in order to maintain any registration or qualification for as long as they deem necessary or as required by law; and that the execution by any such Designated Officer of any such document or instrument or the doing by them of any act in connection with the foregoing shall conclusively establish their authority therefor from the Company and the approval and ratification by the Company of the documents and instruments so executed and the actions so taken.

RESOLVED that each officer or director of the Company who may be required to execute the 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 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 Exchange Offer, 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 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 New Notes and with respect to the Exchange Offer, 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 Exchange Offer in accordance with the terms and procedures set forth in the 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 of them 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 of them 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 New Notes, the Exchange Offer, the Indenture, the Dealer Manager Agreement and the Exchange 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

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)

9.25% NOTES DUE MARCH 15, 2004
(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).

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 | C300 |
|--|-----------------------------|--------------|
| | RCON | BIL MIL THOU |
| | ---- | ----- |
| 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 |
| b. Interest-bearing balances(2)..... | 0071 | 0 |
| 2. Securities | | |
| a. Held-to-maturity securities(from Schedule RC-B, column A) | 1754 | 0 |
| b. Available-for-sale securities (from Schedule RC-B, column D)..... | 1773 | 336 |
| 3. Federal funds sold and securities purchased under agreements to resell | | 1,466,628 |
| 4. Loans and lease financing receivables: (from Schedule RC-C): | RCON | |
| | ---- | |
| a. Loans and leases held for sale | 5369 | 0 |
| | 5369 | 0 |
| b. Loans and leases, net of unearned income..... | B528 | 195,551 |
| c. LESS: Allowance for loan and lease losses..... | 3123 | 292 |
| d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)..... | B529 | 195,259 |
| 5. Trading assets (from Schedule RC-D)..... | 3545 | 0 |
| 6. Premises and fixed assets (including capitalized leases) | 2145 | 13,065 |
| 7. Other real estate owned (from Schedule RC-M) | 2150 | 0 |
| 8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)..... | 2130 | 0 |
| 9. Customers' liability to this bank on acceptances outstanding | 2155 | 0 |
| 10. Intangible assets..... | | |
| a. Goodwill..... | 3163 | 0 |
| b. Other intangible assets (from Schedule RC-M)..... | 0426 | 9,224 |
| 11. Other assets (from Schedule RC-F)..... | 2160 | 250,027 |
| 12. Total assets (sum of items 1 through 11)..... | 2170 | 2,219,738 |

-
- (1) Includes cash items in process of collection and unposted debits.
 - (2) Includes time certificates of deposit not held for trading.

Legal Title of Bank: Bank One Trust Company, N.A. Call Date: 12/31/01 State #: 391581 FFIEC 041
 Address: 100 East Broad Street Vendor ID: D Cert # 21377 Page RC-2
 City, State Zip: Columbus, OH 43271 Transit #: 04400003

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) | ---- | | |
| (1) Noninterest-bearing(1)..... | 2200 | 1,957,028 | 13. a |
| (2) Interest-bearing..... | 6631 | 1,378,041 | 13. a1 |
| b. Not applicable | 6636 | 587,987 | 13. a2 |
| 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 | Number |
| | RCFD 6724 | 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.

THE WILLIAMS COMPANIES, INC.

LETTER OF TRANSMITTAL

FOR TENDER OF ALL OUTSTANDING
8.25% SENIOR SECURED NOTES DUE 2004
OF
WCG NOTE TRUST AND WCG NOTE CORP., INC.
IN EXCHANGE FOR
9.25% NOTES DUE MARCH 15, 2004
OF
THE WILLIAMS COMPANIES, INC.

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:
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

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 9.25% Notes due March 15, 2004 for each \$1,000 principal amount of outstanding 8.25% Senior Secured Notes due 2004 of WCG Note Trust and WCG Note Corp., Inc., of which \$1,400,000,000 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 8.25% Senior Secured Notes due 2004 of WCG Note Trust and WCG Note Corp., Inc. shall be defined as the "Outstanding Senior Secured Notes". The 9.25% Notes due March 15, 2004 of the Company registered under the Securities Act shall be defined as

the "New Notes". 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 Senior Secured Notes are to be physically delivered to the Exchange Agent herewith by Holders, (ii) tender of Outstanding Senior Secured Notes 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 Senior Secured Notes" 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 Senior Secured Notes, unless an Agent's Message (as defined below) is transmitted in lieu hereof, or (iii) tender of Outstanding Senior Secured Notes is to be made according to the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes," 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 Senior Secured Notes 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 Senior Secured Notes.

All Holders of Outstanding Senior Secured Notes who wish to tender their Outstanding Senior Secured Notes 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 Senior Secured Notes or, if a tender of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes" 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 Senior Secured Notes validly tendered and not withdrawn and the issuance of the New Notes 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 Senior Secured Notes 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 SENIOR SECURED NOTES 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 Senior Secured Notes 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 Outstanding Senior Secured Notes. All other tenders must be in integral multiples of \$1,000.

| NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)* (PLEASE FILL IN, IF BLANK) | DESCRIPTION OF 8.25% SENIOR SECURED NOTES DUE 2004 (A) CERTIFICATE NUMBER(S)* | AGGREGATE PRINCIPAL AMOUNT TENDERED (IF LESS THAN ALL)** |
|--|---|---|
| TOTAL PRINCIPAL AMOUNT OF OUTSTANDING SENIOR SECURED 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 Senior Secured Notes listed. A Holder will be deemed to have tendered all of such Holders' Outstanding Senior Secured Notes if no lesser amount is indicated. Outstanding Senior Secured Notes 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 Senior Secured Notes in a principal amount not tendered, or New Notes issued in exchange for Outstanding Senior Secured Notes accepted for exchange, are to be issued in the name of someone other than the undersigned, or if Outstanding Senior Secured Notes 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 Senior Secured Notes and/or New Notes certificate(s) to:

Name

(PLEASE PRINT)

(PLEASE PRINT)

Address

(INCLUDING ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

[] Credit unexchanged Outstanding Senior Secured Notes 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 Senior Secured Notes in a principal amount not tendered, or New Notes issued in exchange for Outstanding Senior Secured Notes accepted for exchange, are to be delivered to someone other than the undersigned.

Deliver Outstanding Senior Secured Notes and/or New Notes 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 SENIOR SECURED NOTES OR A CONFIRMATION OF BOOK-ENTRY TRANSFER OF SUCH OUTSTANDING SENIOR SECURED NOTES 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 SENIOR SECURED NOTES 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 Senior Secured Notes are not immediately available or who cannot deliver their Outstanding Senior Secured Notes and all other documents required hereby to the Exchange Agent on or prior to the Expiration Date may tender their Outstanding Senior Secured Notes according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes." (See Instruction 2.)

[] CHECK HERE IF OUTSTANDING SENIOR SECURED NOTES 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 -----

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 Senior Secured Notes indicated above.

Subject to and effective upon the acceptance for exchange of the principal amount of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Notes) with respect to the tendered Outstanding Senior Secured Notes 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 Senior Secured Notes to the Company or transfer ownership of such Outstanding Senior Secured Notes 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 Senior Secured Notes for transfer on the books of the Company and receive all benefits and otherwise exercise all rights of beneficial ownership of such Outstanding Senior Secured Notes, all in accordance with the terms and conditions of the Exchange Offer.

The undersigned understands and agrees that the Company reserves the right not to accept tendered Outstanding Senior Secured Notes 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 Senior Secured Notes tendered hereby and to acquire New Notes issuable upon the exchange of such tendered Outstanding Senior Secured Notes, 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 Senior Secured Notes or transfer of ownership of such Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes," to terminate the Exchange Offer and, to the extent permitted by applicable law, purchase Outstanding Senior Secured Notes 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 Senior Secured Notes 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 tenders of Outstanding Senior Secured Notes pursuant to the procedures described under the caption "The Exchange Offer -- Procedures for Tendering Outstanding

Senior Secured Notes" 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 Senior Secured Notes are not accepted for exchange pursuant to the Exchange Offer for any reason, certificates for any such unaccepted Outstanding Senior Secured Notes 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.

Unless otherwise indicated under "Special Registration Instructions," please issue the certificates representing the New Notes issued in exchange for the Outstanding Senior Secured Notes accepted for exchange and return any certificates for Outstanding Senior Secured Notes not tendered or not exchanged, in the name(s) of the undersigned (or, in either such event in the case of Outstanding Senior Secured Notes 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 Notes issued in exchange for the Outstanding Senior Secured Notes accepted for exchange and any certificates for Outstanding Senior Secured Notes 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 Notes issued in exchange for the Outstanding Senior Secured Notes accepted for exchange in the name(s) of, and return any certificates for Outstanding Senior Secured Notes 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 Senior Secured Notes from the name of the registered Holder(s) thereof if the Company does not accept for exchange any of the Outstanding Senior Secured Notes so tendered.

Holders who wish to tender the Outstanding Senior Secured Notes and (i) whose Outstanding Senior Secured Notes are not immediately available or (ii) who cannot deliver their Outstanding Senior Secured Notes, 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 Senior Secured Notes according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes." (See Instruction 2.)

PLEASE SIGN HERE WHETHER OR NOT
OUTSTANDING SENIOR SECURED NOTES 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 Senior Secured Notes or, if tendered by a participant in DTC, exactly as such participant's name appears on a security listing as the owner of Outstanding Senior Secured Notes, 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 Senior Secured Notes 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): | ----- | Address: ----- |
| | ----- | ----- |
| (PLEASE PRINT) | | (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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes. Certificates for all physically delivered Outstanding Senior Secured Notes or confirmation of any book-entry transfer to the Exchange Agent at DTC of Outstanding Senior Secured Notes 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 Senior Secured Notes, 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 Senior Secured Notes 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 Senior Secured Notes should be sent to the Company.

The Exchange Agent will make a request to establish an account with respect to the Outstanding Senior Secured Notes 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 Senior Secured Notes by causing DTC to transfer such Outstanding Senior Secured Notes into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer. However, although delivery of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes and (i) whose Outstanding Senior Secured Notes are not immediately available, or (ii) who cannot deliver their Outstanding Senior Secured Notes, 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 Senior Secured Notes according to the guaranteed delivery procedures set forth in the Prospectus. See "Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes." 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 Senior Secured Notes, the certificate number or numbers of such Outstanding Senior Secured Notes and the principal amount of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes in proper form for transfer (or a confirmation of book-entry transfer of such Outstanding Senior Secured Notes 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 Senior Secured Notes." Any Holder who wishes to tender his Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes, and withdrawal of tendered Outstanding Senior Secured Notes 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 Senior Secured Notes for exchange. The Company reserves the absolute right to reject any and all Outstanding Senior Secured Notes not properly tendered or any Outstanding Senior Secured Notes 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 Senior Secured Notes. 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 Senior Secured Notes must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent, the dealer managers nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Outstanding Senior Secured Notes, nor shall any of them incur any liability for failure to give such notification. Tenderees of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes should be listed on a separate signed schedule attached hereto.

4. Tender by Holder. Only a Holder of Outstanding Senior Secured Notes may tender such Outstanding Senior Secured Notes in the Exchange Offer. Any beneficial owner of Outstanding Senior Secured Notes 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 Senior Secured Notes, either make appropriate arrangements to register ownership of the Outstanding Senior Secured Notes in such beneficial

owner's name or obtain a properly completed bond power from the registered holder or properly endorsed certificates representing such Outstanding Senior Secured Notes.

5. Partial Tenders; Withdrawals. Tenders of Outstanding Senior Secured Notes will be accepted only in integral multiples of \$1,000. If less than the entire principal amount of any Outstanding Senior Secured Note is tendered, the tendering Holder should fill in the principal amount tendered in the third column of the box entitled "Description of 8.25% Senior Secured Notes due 2004" above. The entire principal amount of any Outstanding Senior Secured Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Outstanding Senior Secured Notes is not tendered, then Outstanding Senior Secured Notes for the principal amount of Outstanding Senior Secured Notes not tendered and a certificate or certificates representing New Notes issued in exchange for any Outstanding Senior Secured Notes 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 Senior Secured Notes are accepted for exchange.

Except as otherwise provided herein, tenders of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes to be withdrawn (the "Depositor"), (ii) identify the Outstanding Senior Secured Notes to be withdrawn (including the certificate number or numbers and principal amount of such Outstanding Senior Secured Notes, or, in the case of Outstanding Senior Secured Notes 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 Senior Secured Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Registrar with respect to the Outstanding Senior Secured Notes register the transfer of such Outstanding Senior Secured Notes into the name of the person withdrawing the tender and (iv) specify the name in which any such Outstanding Senior Secured Notes 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 Senior Secured Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no New Notes will be issued with respect thereto unless the Outstanding Senior Secured Notes so withdrawn are validly retendered. Any Outstanding Senior Secured Notes 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 Senior Secured Notes may be retendered by following one of the procedures described in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes" 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes.

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 Senior Secured Notes) of Outstanding Senior Secured Notes tendered and the certificate or certificates for New Notes issued in exchange therefor is to be issued (or any untendered principal amount of Outstanding Senior Secured Notes to be reissued) to the registered Holder, then such Holder need not and should not endorse any tendered Outstanding Senior Secured Notes, nor provide a separate bond power. In any other case, such Holder must either properly endorse the Outstanding Senior Secured Notes 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 Senior Secured Notes listed, such Outstanding Senior Secured Notes 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 Senior Secured Notes.

If this Letter of Transmittal (or facsimile hereof) or any Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Notes or substitute Outstanding Senior Secured Notes 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 Notes 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 Notes) 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 Senior Secured Notes 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 Senior Secured Notes 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 Notes. 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 Senior Secured Notes pursuant to the Exchange Offer. If, however, certificates representing New Notes or Outstanding Senior Secured Notes 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 Senior Secured Notes tendered hereby, or if tendered Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes tendered.

11. Mutilated, Lost, Stolen or Destroyed Outstanding Senior Secured Notes. Any tendering Holder whose Outstanding Senior Secured Notes 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. A Holder may also contact Salomon Smith Barney Inc., Banc of America Securities LLC or J.P. Morgan Securities Inc., the dealer managers for the Exchange Offer, at the addresses and telephone numbers set forth below, or such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

The Dealer Managers for the Exchange Offer are:

SALOMON SMITH BARNEY INC.
390 Greenwich Street, 4th Floor
New York, New York 10013
Attn: Liability Management Group
Toll Free: (800) 558-3745

BANC OF AMERICA SECURITIES LLC
100 North Tryon Street
8th Floor
Charlotte, North Carolina 28255
Attn: Liability Management
(866) 475-9886 (call toll free)

J.P. MORGAN SECURITIES INC.
270 Park Avenue
New York, New York 10017
Attn.: Akis Psarris
(866) 834-4666 (call toll free)

IMPORTANT TAX INFORMATION

Under federal income tax laws, a Holder whose tendered Outstanding Senior Secured Notes 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 Senior Secured Notes. If the Outstanding Senior Secured Notes 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.

Department of the Treasury
INTERNAL REVENUE SERVICE

PAYER'S NAME: THE WILLIAMS COMPANIES, INC.

SUBSTITUTE PART I -- Taxpayer Identification Number (TIN) Social Security Number
FORM W-9 Enter your TIN in the appropriate box. For -----
DEPARTMENT OF individuals, this is your social security number or
THE TREASURY (SSN). For sole proprietors, see the instructions Employer Identification Number
INTERNAL REVENUE in the enclosed Guidelines. For other entities, it -----
SERVICE is your employer identification number (EIN). If you do not have a number, see How to Get a TIN in the enclosed Guidelines.
REQUEST FOR TAXPAYER 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.
IDENTIFICATION NUMBER -----
AND CERTIFICATION

PART II -- For Payees Exempt from Backup Withholding
(See Part II instructions in the enclosed Guidelines)

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.

NOTICE OF GUARANTEED DELIVERY

FOR
8.25% SENIOR SECURED NOTES DUE 2004
OF
WCG NOTE TRUST AND WCG NOTE CORP., 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 8.25% Senior Secured Notes due 2004 of WCG Note Trust and WCG Note Corp., Inc. (the "Outstanding Senior Secured Notes") 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 9.25% Notes due March 15, 2004 of the Company (the "New Notes") for each \$1,000 in principal amount of Outstanding Senior Secured Notes.

The undersigned hereby tenders to the Company the aggregate principal amount of Outstanding Senior Secured Notes 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 Senior Secured Notes" section of the Prospectus and the accompanying Letter of Transmittal.

The undersigned understands that no withdrawal of a tender of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes for New Notes pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (i) such Outstanding Senior Secured Notes (or Book-Entry Confirmation of the transfer of such Outstanding Senior Secured Notes 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 Senior Secured Notes, 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 Senior Secured Notes 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:

Name(s) of Registered Holder(s)

Principal Amount of Outstanding Senior Secured Notes Tendered:

Address:

Certificate No(s) of Outstanding Senior Secured Notes (if available):

Area Code and Telephone No.:

If Outstanding Senior Secured Notes will be delivered by book-entry transfer at The Depository Trust Company, insert:

Date:

Depository Account No.:

This Notice of Guaranteed Delivery must be signed by the registered Holder(s) of Outstanding Senior Secured Notes exactly as its (their) name(s) appear on certificates for Outstanding Senior Secured Notes or on a security position listing as the owner of Outstanding Senior Secured Notes, 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 SENIOR SECURED NOTES WITH THIS FORM. OUTSTANDING SENIOR SECURED NOTES 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 Senior Secured Notes on whose behalf this tender is being made "own(s)" the Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes covered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Outstanding Senior Secured Notes 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 Senior Secured Notes 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: | ----- | ----- |
| ----- | | AUTHORIZED SIGNATURE |
| Address: | ----- | Name: ----- |
| ----- | | ----- |
| ----- | | Title: ----- |
| ----- | | ----- |
| Area Code and Telephone No.: | ----- | Date: ----- |
| ----- | | ----- |

LETTER TO REGISTERED HOLDERS AND DTC PARTICIPANTS
REGARDING

OFFER TO EXCHANGE

9.25% NOTES DUE MARCH 15, 2004
OF
THE WILLIAMS COMPANIES, INC.

FOR ANY AND ALL OUTSTANDING
8.25% SENIOR SECURED NOTES DUE 2004
OF
WCG NOTE TRUST AND WCG NOTE CORP., INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [REDACTED], 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 [REDACTED], 2002 (the "Prospectus") and the accompanying Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the "Exchange Offer"), up to \$1.4 billion aggregate principal amount of 9.25% Notes due March 15, 2004 of the Company (the "New Notes") for up to \$1.4 billion aggregate principal amount of 8.25% Senior Secured Notes of WCG Note Trust and WCG Note Corp., Inc. (the "Outstanding Senior Secured Notes"). As set forth in the Prospectus, the New Notes differ from the Outstanding Senior Secured Notes in certain material respects.

Enclosed herewith are copies of the following documents:

1. Prospectus dated [REDACTED], 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 Senior Secured Notes or book-entry interests representing Outstanding Senior Secured Notes 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 [REDACTED], 2002, UNLESS EXTENDED. PLEASE FURNISH COPIES OF THE ENCLOSED MATERIALS TO THOSE OF YOUR CLIENTS FOR WHOM YOU HOLD OUTSTANDING SENIOR SECURED NOTES 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 Senior Secured Notes in proper form for transfer, or (ii) cause a DTC Participant to make book-entry delivery of the Outstanding Senior Secured Notes; or (b) cause a DTC Participant to tender such holder's Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes and (a) whose Outstanding Senior Secured Notes are not immediately available or (b) who cannot deliver their Outstanding Senior Secured Notes, 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 Senior Secured Notes according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Senior Secured Notes" in the Prospectus.

Pursuant to the Letter of Transmittal, each holder of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes being tendered.

Except for customary fees the Company has agreed to pay the dealer managers and the Exchange Agent, the Company will not pay any fee or commission to any broker or dealer or to any other persons in connection with the solicitation of tenders of Outstanding Senior Secured Notes pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Outstanding Senior Secured Notes 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.

LETTER TO CLIENTS
REGARDING

OFFER TO EXCHANGE

9.25% NOTES DUE MARCH 15, 2004
OF
THE WILLIAMS COMPANIES, INC.

FOR ANY AND ALL OUTSTANDING
8.25% SENIOR SECURED NOTES DUE 2004
OF
WCG NOTE TRUST AND WCG NOTE CORP., 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 \$1.4 billion aggregate principal amount of 9.25% Notes due March 15, 2004 of the Company (the "New Notes") for up to \$1.4 billion aggregate principal amount of 8.25% Senior Secured Notes of WCG Note Trust and WCG Note Corp., Inc. ("Outstanding Senior Secured Notes"), 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 New Notes differ from the Outstanding Senior Secured Notes in certain material respects.

The enclosed material is being forwarded to you as the beneficial owner of Outstanding Senior Secured Notes held by us for your account or benefit but not registered in your name. An exchange of any Outstanding Senior Secured Notes may only be made by us as the registered Holder pursuant to your instructions. Therefore, the Company urges beneficial owners of Outstanding Senior Secured Notes 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 Senior Secured Notes 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 SENIOR SECURED NOTES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to tender any or all of your Outstanding Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes being tendered for exchange.

(3) Outstanding Senior Secured Notes may be tendered only in denominations of \$1,000 and integral multiples thereof.

(4) Outstanding Senior Secured Notes not tendered pursuant to the Exchange Offer will continue to be subject to certain restrictions on transfer. Moreover, the trading market for Outstanding Senior Secured Notes not exchanged in the Exchange Offer may be significantly more limited than it is at present.

(5) As described in more detail in the Prospectus, Holders of Outstanding Senior Secured Notes may be entitled to receive an extra payment from the Company if such Holders do not exchange their Outstanding Senior Secured Notes for New Notes in the Exchange Offer.

(6) 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 Senior Secured Notes 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 Senior Secured Notes 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 SENIOR SECURED NOTES HELD BY US AND REGISTERED IN OUR NAME FOR YOUR ACCOUNT OR BENEFIT.

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

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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 exempt 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