

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OKLAHOMA

IN RE:  
WILLIAMS SECURITIES LITIGATION

WMB Subclass

Case No. 02-CV-72 –SPF (FHM)

CLASS ACTION

Judge Stephen P. Friot  
Magistrate Judge Frank H. McCarthy

**NOTICE OF (1) PROPOSED SETTLEMENT OF SECURITIES CLASS ACTION, (2) CERTIFICATION OF A SETTLEMENT CLASS, (3) SETTLEMENT HEARING, (4) APPLICATION FOR ATTORNEYS' FEES AND EXPENSES, AND (5) PROPOSED PLAN OF ALLOCATION**

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED PUBLICLY TRADED COMMON STOCK, 7.125% NOTES DUE 2011 OR 7.875% NOTES DUE 2021 (COLLECTIVELY "AUGUST NOTES") OR FELINE PACS OF THE WILLIAMS COMPANIES, INC. ("WILLIAMS") BETWEEN JULY 24, 2000 AND JULY 22, 2002, INCLUSIVE (THE "SETTLEMENT CLASS PERIOD"), AND WERE ALLEGEDLY INJURED THEREBY. PLEASE BE ADVISED THAT YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

**Notice of Settlement of Class Action:** Please also be advised that Lead Plaintiffs, Ontario Teachers' Pension Plan Board and the Arkansas Teacher Retirement System ("Lead Plaintiffs"), have reached a proposed settlement of the Litigation that will resolve all claims of the Lead Plaintiffs and the Settlement Class (as defined below) against all defendants (the "Settlement").<sup>1</sup>

**PLEASE READ THIS NOTICE CAREFULLY.** This Notice explains to you certain deadlines, and encloses a form that allows you to file a claim. It will also tell you where you can get additional information and help.

**For more information, call the Claims Administrator toll-free at (888) 366-5344, or go to [www.wmbsettlement.com](http://www.wmbsettlement.com) YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT. READ THIS NOTICE CAREFULLY.**

**Statement of Plaintiff Recovery**

Pursuant to the Settlement described herein, a Settlement Fund consisting of Three Hundred and Eleven Million Dollars (\$311,000,000) in cash, plus any interest that accrues on that amount, will be established. Williams will pay or cause to be paid \$290,000,000 in cash into the Settlement Fund and Ernst & Young LLP will pay \$21,000,000 in cash into the Settlement Fund. The Net Settlement Fund will be distributed to the Members of the Settlement Class in accordance with a Plan of Allocation (the "Plan of Allocation") as described in this Notice. The Plan of Allocation has been prepared by Lead Plaintiffs and Lead Counsel, with the assistance of their damages expert. Settling Defendants do not agree with the characterization that any damages were suffered by any Members of the Settlement Class as a result of any actionable conduct by any Settling Defendant. As required by the Private Securities Litigation Reform Act of 1995 ("PSLRA"), based on the estimated number of damaged shares, as determined by Lead Plaintiffs' independent damages expert, and assuming all owners of the damaged shares elect to participate, the average recovery is \$0.80 per damaged share. Settlement Class Members may receive more or less than the amount referred to above, and may even recover nothing depending on, among other factors, when their securities were purchased or sold, the number of Settlement Class Members who file valid claims, the number of Williams securities purchased by Persons that opt-out of the Settlement, the amount of interest that has accrued on the available funds as of the time of the distribution, administrative costs, including the costs of notice and administration of the Settlement, the amount awarded by the Court for attorneys' fees and costs, and the Plan of Allocation. In addition, the aggregate per share calculation may be further reduced by amounts that, under the Plan of Allocation, may be claimed by purchasers or acquirers of Williams FELINE PACS and/or Williams August Notes.

**Statement of Potential Outcome of Case**

The Settling Parties disagree on both liability and damages and do not agree on the average amount of damages per security that would be recoverable if the Settlement Class were to have prevailed on each claim alleged. The Settling Defendants deny that they are liable to the Settlement Class and deny that the Settlement Class Members have suffered any damages. The amount of potential damages increases or decreases significantly using different assumptions and methodologies. The issues on which the Settling Parties disagree include, for example: (a) whether the statements made or facts allegedly omitted were materially false or misleading or otherwise actionable under the federal securities laws; (b) the appropriate economic models for determining the amounts by which the

<sup>1</sup> Unless otherwise noted, words in initial capitals not defined in this Notice are defined in the Stipulation of Settlement ("Stipulation"), dated as of August 28, 2006, available at [www.wmbsettlement.com](http://www.wmbsettlement.com).

prices of Williams securities were artificially inflated (if at all) during the Settlement Class Period; (c) the amounts by which the prices of Williams securities were artificially inflated (if at all) during the Settlement Class Period; (d) the effect of various market forces on the trading prices of Williams securities at various times during the Settlement Class Period; (e) the extent to which external factors, such as general market and industry conditions influenced the trading prices of Williams securities at various times during the Settlement Class Period; (f) the extent to which the various allegedly adverse material facts alleged to be misstated or omitted influenced (if at all) the trading prices of Williams securities during the Settlement Class Period; and (g) the materiality of the alleged misstatements and omissions.

#### **Statement of Attorneys' Fees and Costs Sought**

With Lead Plaintiffs' approval, Lead Counsel will submit a request for aggregate attorneys' fees, not to exceed twenty-five percent (25%) of the Settlement Fund after deduction of Court-awarded expenses, plus interest at the same rate as earned by the Settlement Fund. A combined attorneys' fee and reimbursement of costs and expenses application will be filed on behalf of Lead Counsel and all other Securities Class Counsel, regardless of whether any such counsel is still involved in this case. Lead Plaintiffs agree that the requested fees are consistent with attorneys' fees awarded in contingent class actions of this size and complexity. The combined application will request reimbursement of costs and expenses incurred by the law firms who contributed to the prosecution of the Settlement Class claims, including the fees of consultants and experts, in a total amount not to exceed \$11.5 million, plus interest at the same rate as earned by the Settlement Fund. If approved by the Court, the requested fees would not exceed an average cost of \$.19 per damaged share. If approved by the Court, the requested costs and expenses would not exceed an average cost of \$.03 per damaged share. These average costs per share could vary depending on various factors, including the number of shares and other Williams securities for which claims are filed. Lead Counsel and other law firms have expended considerable time and effort in the prosecution of this Litigation on a contingent fee basis, and have advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be reimbursed for their expenses from the recovery. If subsequent costs and expenses are incurred in connection with this case, Lead Counsel may apply to the Court for reimbursement of those costs and expenses without further notice to the Settlement Class.

#### **Further Information**

Further information regarding the Litigation and the Settlement may be obtained by contacting the Claims Administrator at:

Williams Securities Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 91185  
Seattle, WA 98111-9285  
(888) 366-5344  
[www.wmbsettlement.com](http://www.wmbsettlement.com)

You may also contact Lead Counsel at:

Blair A. Nicholas, Esq.  
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130  
Tel: (858) 793-0070

#### **Reasons for the Settlement**

Lead Plaintiffs believe that the Settlement is fair, reasonable and in the best interests of the Settlement Class. The principal reason for the Settlement is to provide a benefit to the Settlement Class now. The immediacy and certainty of this benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. While Lead Counsel were prepared to go to trial and were confident in their ability to succeed, they recognize that a trial is a risky proposition and that Lead Plaintiffs and the Settlement Class might not have prevailed on all or any of their claims. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class, and the significant risk that the Settlement Class might receive no recovery at all if it pursued the case through trial and likely appeals, Lead Plaintiffs believe that the Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class.

The claims advanced by the Settlement Class involve numerous complex legal, financial, and accounting issues, requiring extensive expert testimony, which would add considerably to the expense and duration of the litigation. Even after extensive investigation and discovery, questions remain regarding the extent of the Settling Defendants' liability, if any, the extent to which a jury might find them liable, if at all, and the true measure of the Settlement Class' damages, if any. In particular, Settling Defendants have denied all of the allegations of wrongdoing asserted against them in the Complaint and have asserted a number of affirmative defenses. Among other things, Settling Defendants contend that none of their statements or omissions was materially false or misleading; that Settling Defendants had no legal duty to disclose any of the facts that allegedly were omitted from their statements; that Settling Defendants acted diligently, in good faith and in reliance on the advice of their professional advisors, and had no intent to defraud; and that the alleged losses were caused by market factors that were unrelated to any alleged fraud.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>IF YOU:</b>	<b>THEN:</b>
<b>SUBMIT A CLAIM FORM BY FEBRUARY 16, 2007</b>	This is the only way to receive a payment. You <u>must</u> submit a claim if you want to receive settlement monies.
<b>OBJECT BY JANUARY 19, 2007</b>	You may submit documents to the Court setting forth why you do not like the Settlement, the Plan of Allocation or Lead Counsel’s Fee and Expense Application.
<b>GO TO A HEARING ON FEBRUARY 9, 2007 AT 10:00 A.M.</b>	You may ask to speak in Court about the fairness of the Settlement, the Plan of Allocation or the Fee and Expense Application at the Settlement Hearing before the Honorable Stephen P. Friot, United States District Judge, at the United States District Court for the Northern District of Oklahoma, 333 W. Fourth St., Tulsa, OK 74103.
<b>REQUEST EXCLUSION (OPT OUT) BY DECEMBER 22, 2006</b>	You may submit a written request to be excluded from the Settlement Class. You will receive no payment from the Net Settlement Fund or other monies distributed with this Settlement, if you exclude yourself from the Settlement Class.
<b>DO NOTHING</b>	You will receive no payment, and you will give up your right to file your own lawsuit or participate in any other lawsuit concerning the legal claims being released in the case.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court in charge of this case, which has given preliminary approval of the Settlement, still has to decide whether to give final approval of the Settlement. Payments will be made if the Court gives final approval of the Settlement (subject to any appeals) and after the claims processing procedure is complete. The Plan of Allocation and any award of attorneys’ fees and costs must also be approved by the Court.

**[END OF COVER PAGE]**

**WHAT THIS NOTICE CONTAINS**

**This Notice contains only a summary of the Settlement. The complete terms of the Settlement are contained in the Stipulation, which is available to the public to review at the Clerk’s office at:**

Clerk of the Court  
 U.S. District Court  
 Page Belcher Federal Building  
 333 West Fourth, Room 411  
 Tulsa, OK 74103  
 (918) 699-4700

**In addition, the complete Stipulation is posted on the Settlement website at [www.wmbsettlement.com](http://www.wmbsettlement.com).**

	<b>Page</b>
<b>BASIC INFORMATION</b> .....	4
<b>A. WHY DID I RECEIVE THIS NOTICE PACKAGE?</b> .....	4
<b>B. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?</b> .....	4
<b>C. ARE PURCHASERS OR ACQUIRERS OF WILLIAMS COMMUNICATIONS INC. (“WCG”) COMMON STOCK ENTITLED TO ANY RECOVERY FROM THIS SETTLEMENT?</b> .....	5
<b>D. WHAT RECOVERY DOES THE SETTLEMENT PROVIDE?</b> .....	5
<b>E. WHY IS THERE A SETTLEMENT?</b> .....	5
<b>F. WHAT MIGHT HAPPEN IF THERE WAS NO SETTLEMENT?</b> .....	5
<b>G. WHAT IS THIS LAWSUIT ABOUT? WHAT HAS HAPPENED SO FAR?</b> .....	5
<b>H. WHAT LED UP TO THE SETTLEMENT?</b> .....	6
<b>I. WHAT ARE THE LEAD PLAINTIFFS’ REASONS FOR THE SETTLEMENT?</b> .....	6
<b>J. WHY HAVE THE SETTLING DEFENDANTS AGREED TO THE SETTLEMENT?</b> .....	7
<b>K. HOW MUCH WILL MY PAYMENT BE? WHAT IS THE PLAN OF ALLOCATION?</b> .....	7
<b>L. WILL I BE COMPENSATED FOR ALL OF MY LOSSES?</b> .....	8
<b>M. MUST I FILE A CLAIM TO RECEIVE MONEY FROM THE SETTLEMENT?</b> .....	8
<b>N. WOULD THE AMOUNT OF MY CLAIM BE THE SAME IF THE CASE WENT TO TRIAL?</b> .....	8
<b>O. WHAT IF I RECEIVED WILLIAMS SECURITIES DURING THE SETTLEMENT CLASS PERIOD BUT DID NOT PURCHASE THEM?</b> .....	8
<b>P. WHAT PART OF THE SETTLEMENT FUND GETS DISTRIBUTED TO SETTLEMENT CLASS MEMBERS?</b> .....	9
<b>Q. CAN ANY OF THE MONEY AVAILABLE FOR DISTRIBUTION TO SETTLEMENT CLASS MEMBERS BE RETURNED TO SETTLING DEFENDANTS IF SOME SETTLEMENT CLASS MEMBERS FAIL TO SUBMIT A CLAIM?</b> .....	9

<b>R. HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO? .....</b>	<b>9</b>
<b>S. WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?.....</b>	<b>9</b>
<b>T. HOW WILL THE ATTORNEYS BE PAID FOR THEIR WORK IN THIS CASE? .....</b>	<b>10</b>
<b>U. WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?.....</b>	<b>10</b>
<b>V. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT AND RELATED MATTERS? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT OR THE OTHER MATTERS REFERENCED IN THIS NOTICE? .....</b>	<b>11</b>
<b>W. WHAT IF THE SETTLEMENT IS NOT APPROVED? .....</b>	<b>11</b>
<b>X. WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF OR REPRESENT A BROKER, BANK OR OTHER NOMINEE?.....</b>	<b>12</b>
<b>Y. CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?.....</b>	<b>12</b>

**SUMMARY OF NOTICE**

**I. BASIC INFORMATION**

**A. WHY DID I RECEIVE THIS NOTICE PACKAGE?**

1. You or someone in your family may have purchased or otherwise acquired publicly traded common stock, August Notes or FELINE PACS of Williams during the period July 24, 2000 through and including July 22, 2002. If the description above applies to you or someone in your family, you have a right to know about the proposed settlement of this Litigation, and about all of your options.

2. If the Court approves the Settlement, and after any objections and appeals are resolved, The Garden City Group, Inc., the Claims Administrator, will make payments pursuant to the Settlement.

3. The Court in charge of the case is the United States District Court for the Northern District of Oklahoma (the "Court"), and the Litigation is known as the WMB Subclass action captioned *In re Williams Securities Litigation*, Case No. 02-CV-72-SPF (FHM). This case is assigned to United States District Judge Stephen P. Friot. The Court-appointed Lead Plaintiffs are: the Ontario Teachers' Pension Plan Board and the Arkansas Teacher Retirement System. Settling Defendants include: (i) Williams; (ii) Keith Bailey, Jack McCarthy, Gary Belitz, Steven Malcolm, William E. Hobbs, Hugh M. Chapman, Thomas H. Cruikshank, W.R. Howell, Charles M. Lillis, Frank T. MacInnis, Peter C. Meinig, Janice D. Stoney, Glenn A. Cox, William E. Green, James C. Lewis, George Lorch, Gordon R. Parker and Joseph H. Williams (the "Individual Settling Defendants"); (iii) Merrill Lynch & Co. Inc., Salomon Smith Barney Inc. n/k/a Citigroup Global Markets, Inc., Lehman Brothers Inc., Banc of America Securities LLC, Credit Suisse First Boston Corp. n/k/a Credit Suisse Securities (USA) LLC, CIBC World Markets Corp., Goldman, Sachs & Co., and UBS Warburg, LLC (n/k/a UBS Securities, LLC) (the "Underwriter Defendants"); and (iv) Ernst & Young LLP ("E&Y") (Williams, the Individual Settling Defendants, the Underwriter Defendants and E&Y are collectively referred to as the "Settling Defendants").

4. The Court-appointed Lead Counsel is: Bernstein Litowitz Berger & Grossmann LLP. That firm represents the interests of all Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense.

5. This Notice explains the lawsuit, the Settlement, the certification by the Court of the Settlement Class, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the terms of the Settlement, the Settlement Class and your right to exclude yourself from the Settlement Class, and to inform you of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and to consider the Fee and Expense Application and the Plan of Allocation (the "Settlement Hearing").

6. The Settlement Hearing will be held on February 9, 2007, at 10:00 a.m., before the Honorable Stephen P. Friot, United States District Judge, at the United States District Court for the Northern District of Oklahoma, 333 W. Fourth St., Tulsa, OK 74103. The purpose of the Settlement Hearing will be to determine:

- (a) whether the Settlement should be approved as fair, reasonable and adequate;
- (b) whether the Plan of Allocation is fair, reasonable and adequate;
- (c) whether the Litigation should be dismissed with prejudice against the Settling Defendants; and
- (d) whether the application for an award of attorneys' fees and costs should be approved.

7. The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. If you plan to attend, you should confirm the date of the Settlement Hearing with Lead Counsel prior to the Settlement Hearing. The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the lawsuit, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved and after the completion of all claims processing. Claims administration takes time. Your patience is appreciated.

**B. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?**

8. By Order dated October 5, 2006, the Court decided that all Persons or entities that purchased or otherwise acquired the following Williams securities between July 24, 2000 and July 22, 2002, inclusive, and who were allegedly injured thereby, are members of the "Settlement Class" or "WMB Subclass": (i) Williams common stock in the open market; (ii) Williams common stock issued pursuant or traceable to a Prospectus, Prospectus Supplement, and Registration Statement declared effective by the SEC on or about January 16, 2001; (iii) Williams common stock issued pursuant or traceable to a Form S-4 Registration Statement declared effective by the SEC on or about June 15, 2001 in connection with the August 2, 2001 merger of Barrett Resources Corporation into Williams; (iv) Williams 2011 Notes and/or 2021 Notes issued pursuant or traceable to a Prospectus, Prospectus Supplement, and Registration Statement declared effective by the SEC on or about August 16, 2001 ("August Notes"); and (v) FELINE PACS issued

pursuant or traceable to a Prospectus, Prospectus Supplement, and Registration Statement declared effective by the SEC on or about January 7, 2002.

9. Excluded from the Settlement Class are: the Settling Defendants; members of the families of each of the Individual Settling Defendants; any parent, subsidiary, affiliate, partner, officer (having a title of senior vice president or above), executive, or director of any Settling Defendant during the Settlement Class Period; any entity in which any such excluded person has a controlling interest; and the legal representatives, heirs, successors and assigns of any such excluded person or entity. Also excluded from the Settlement Class is any Person or entity who or which properly excludes himself, herself or itself by filing a valid and timely request for exclusion in accordance with the requirements set forth in this Notice. The term “any entity in which any such excluded person has a controlling interest” means that any such entity is excluded from the Settlement Class to the extent that the entity itself had a proprietary (i.e. for its own account) interest in Williams securities. In the event that any such entity beneficially owned Williams securities in a fiduciary capacity or otherwise held Williams securities on behalf of third party clients or any employee benefit plans that otherwise fall within the Settlement Class, such third party clients and employee benefit plans shall not be excluded from the Settlement Class, irrespective of the identity of the entity or Person in whose name the Williams securities were beneficially owned or otherwise held. For example, Williams securities shall not be excluded from the Settlement Class to the extent held (i) in a registered or unregistered investment company (including a unit investment trust) for which an entity in which any defendant in the Litigation has a controlling interest serves as investment manager, investment adviser or depositor; or (ii) (a) in a life insurance company separate account, or (b) in a segment or subaccount of a life insurance company’s general account to the extent associated with insurance contracts under which the insurer’s obligation is determined by the investment return and/or market value of the assets held in such segment or subaccount. A Settling Defendant shall be deemed to have a “controlling interest” in an entity if such Settling Defendant has a beneficial ownership interest, directly or indirectly, in more than 50% of the total outstanding voting power of any class or classes of capital stock that entitle the holders thereof to vote in the election of members of the Board of Directors of such entity. “Beneficial ownership” shall have the meaning ascribed to such term under Rule 13d-3 of the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

**RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST COMPLETE AND MAIL THE ACCOMPANYING PROOF OF CLAIM AND RELEASE FORM POSTMARKED ON OR BEFORE FEBRUARY 16, 2007.**

**C. ARE PURCHASERS OR ACQUIRERS OF WILLIAMS COMMUNICATIONS INC. (“WCG”) COMMON STOCK ENTITLED TO ANY RECOVERY FROM THIS SETTLEMENT?**

10. No. Claims on behalf of purchasers of WCG common stock are not included in this Litigation and are the subject of a separate litigation still pending before the Court.

**D. WHAT RECOVERY DOES THE SETTLEMENT PROVIDE?**

11. Williams has agreed to pay \$290,000,000 and E&Y has agreed to pay \$21,000,000 to settle the Litigation. The balance of this Settlement Amount (including accrued interest) after deduction of Court-awarded attorneys’ fees and expenses, certain taxes and tax expenses, escrow expenses, settlement notice and administration costs, and repayment, if any, of a portion of the Settlement Amount to Williams, will be distributed to Settlement Class Members who send in valid Proof of Claim and Release forms pursuant to a Court-approved Plan of Allocation. See paragraphs 29 through 31 below.

**E. WHY IS THERE A SETTLEMENT?**

12. Under the Settlement, the Court will not decide in favor of either the Lead Plaintiffs or the Settling Defendants. By agreeing to a Settlement, both the Lead Plaintiffs and the Settling Defendants avoid the costs and risk of a trial, and the Settlement Class Members are compensated.

13. In light of the amount of the Settlement and the immediacy and certainty of recovery to the Settlement Class, Lead Plaintiffs believe that the Settlement is fair, reasonable and adequate, and in the best interests of Settlement Class Members. The Settlement provides a substantial cash recovery benefit, plus accrued interest, less the various deductions described in this Notice, as compared to the risk that a similar, smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future, in which the Settling Defendants would have the opportunity to assert substantial defenses to the claims asserted against them.

**F. WHAT MIGHT HAPPEN IF THERE WAS NO SETTLEMENT?**

14. If there were no settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims, neither they nor the Settlement Class would recover anything from the Settling Defendants as part of the Litigation. Also, if the Settling Defendants were successful in proving any of their defenses, the Settlement Class could potentially recover substantially less than the amount provided in the Settlement, or nothing at all.

**G. WHAT IS THIS LAWSUIT ABOUT? WHAT HAS HAPPENED SO FAR?**

15. On January 29, 2002, and thereafter, class action complaints were filed against Williams, certain of its officers and directors, certain of its underwriters, and E&Y in the Northern District of Oklahoma, alleging violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. By Order dated April 15, 2002, these actions were consolidated for all purposes as *In re*

*Williams Securities Litigation*. The operative complaint is the Consolidated Amended Complaint (the “Complaint”) filed on October 7, 2002. The Complaint alleges violations of Sections 11 and 12(a)(2) of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, among other claims. The Complaint alleges that between July 24, 2000 and July 22, 2002, inclusive, members of the WMB Subclass purchased or otherwise acquired Williams common stock, August Notes, and FELINE PACS, at prices that were artificially inflated as a result of the Settling Defendants’ dissemination of materially false and misleading statements and were injured thereby.

16. By Order dated January 18, 2005, the Court appointed the Ontario Teachers’ Pension Plan Board and the Arkansas Teacher Retirement System as Lead Plaintiffs of the WMB Subclass, and appointed the law firm of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel and the Burrage Law Firm as Liaison Counsel. On January 31, 2005, Lead Plaintiffs filed a motion and supporting memorandum of law for certification of the WMB Subclass. The class certification motion was fully briefed by the parties and pending before the Court when the parties reached an agreement to settle the Litigation.

17. Certain Securities Class Counsel engaged in a massive and intensive investigation of the alleged wrongdoing pertaining to each Settling Defendant in the Litigation and the alleged damages suffered by the Settlement Class. In connection therewith, Lead Counsel served document requests on the Settling Defendants, reviewed and analyzed defendants’ responses to the interrogatories, reviewed millions of pages of documents and emails produced by the Settling Defendants and numerous non-parties, and have made additional inquiry as to pertinent facts, including through interviewing numerous non-party witnesses and taking over 150 witness depositions and 9 expert depositions.

18. Certain Securities Class Counsel also extensively consulted with experts on various complex and contentious issues, including experts on issues relating to the energy and telecommunications industries, accounting and auditing rules and regulations, underwriter and director due diligence, internal risk controls, and damages.

19. Upon the close of fact and expert discovery, Lead Counsel filed an affirmative motion for summary judgment and opposed several motions for summary judgment filed by Williams, the Individual Settling Defendants, and the Underwriter Defendants. These motions for summary judgment included, among other motions, motions for summary judgment on falsity, scienter, loss causation, materiality, and adequacy of due diligence. These issues were hotly contested and fully briefed. A decision in favor of defendants could have had a significant adverse effect on the Settlement Class, and if the motions were granted, the Litigation could have been dismissed in part or whole. Defendants’ motions for summary judgment were under advisement by the Court at the time of Settlement.

20. Over the course of many months, counsel for the Settling Parties conducted intensive, arms’-length settlement negotiations overseen by an experienced and highly respected settlement mediator, the Honorable Layn Phillips (Ret.), who previously served as a federal district court judge in Oklahoma. Each side prepared a confidential mediation statement, which they submitted to the mediator. The mediation sessions involved numerous presentations to and discussions with opposing counsel and the mediator, regarding, among other things, the parties’ respective claims and defenses, expert damages analyses, legal analyses, and expert accounting and auditing analyses. Finally, after intense settlement negotiations involving the parties themselves and their counsel, an agreement in principle was reached to settle the Litigation against all the Settling Defendants. On October 5, 2006, the Court entered an order preliminarily approving the terms of this Settlement as set forth in the Stipulation of Settlement dated as of August 28, 2006.

21. Settling Defendants have denied and continue to deny liability with respect to each and all of the claims alleged by Lead Plaintiffs, and the Settlement is not, and may not be construed or deemed to be, evidence of, or an admission or a concession on the part of any of the Settling Defendants of, any fault or liability whatsoever on the part of any of them or of any infirmity in any defenses they have asserted or intended to assert. Settling Defendants, while affirmatively denying any liability, consider it desirable and in their best interests that this Litigation be dismissed under the terms of the Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

## **H. WHAT LED UP TO THE SETTLEMENT?**

22. Hard-fought settlement discussions took place over an extended period. Face-to-face negotiations occurred with the mediator, and certain mediation sessions were preceded by briefing on liability and damages issues. Numerous other discussions regarding a possible settlement took place during that period of time. Under the oversight of the mediator, a settlement with all Settling Parties was reached.

## **I. WHAT ARE THE LEAD PLAINTIFFS’ REASONS FOR THE SETTLEMENT?**

23. Lead Plaintiffs believe that the claims asserted in the Litigation have substantial merit and that the evidence developed to date in the Litigation supports the claims asserted. Lead Plaintiffs assert, and believe they would present at trial, supporting evidence that Settling Defendants issued materially false and misleading statements and omitted material information concerning Williams, causing the price of Williams stock, August Notes, and FELINE PACS to be artificially inflated during the Settlement Class Period and causing injury to Lead Plaintiffs and Members of the Settlement Class. However, Lead Plaintiffs and Lead Counsel recognize the risks, expense and delay associated with the continued prosecution of this Litigation. In particular, Settling Defendants’ summary judgment motions were vigorously contested and still pending at the time the Settlement was reached. Lead Plaintiffs and Lead Counsel have also taken into account the numerous complex issues that would have to be decided by a jury, including: (i) whether each of the alleged misrepresentations and omissions was material; (ii) whether the Settling Defendants acted knowingly or recklessly in making the alleged misrepresentations and omissions; and (iii) the amount of any damages caused by the alleged misrepresentations and omissions. Lead Plaintiffs and Lead Counsel also considered the uncertain outcome and trial risk in complex lawsuits like this one, as well as the difficulties and delays inherent in such litigation. The accounting issues here are

particularly complex, involving multiple transactions of varying types for which Settling Defendants are alleged to have improperly recorded inflated revenues and concealed the risk of loss on certain contingent liabilities, implicating a multitude of specific accounting principles, standards and rules. When negotiating and deciding to accept the Settlement and recommend it to the Court, Lead Plaintiffs considered a variety of factors, including: (a) the significant Settlement Amount conferring an immediate and substantial benefit to the Settlement Class; (b) the Settlement Amount is substantial when compared with other settlements in securities class action cases; and (c) the Settlement is all cash and includes interest earned on the Settlement Amount. Lead Plaintiffs believe that a certain and immediate recovery is superior to the risk of proceeding with this Litigation, particularly given the pending summary judgment motions, and the complexity of the liability issues, even if Lead Plaintiffs were able to prevent summary judgment in favor of Settling Defendants. Considering these factors, Lead Plaintiffs decided to accept the Settlement after consultation with Lead Counsel and the mediator.

24. In addition, Lead Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation through trial and through appeals. Lead Plaintiffs are mindful of the inherent problems of proof and possible defenses to the violations asserted in the Litigation, including the defenses asserted by Settling Defendants. There is risk at trial that plaintiffs will not succeed against the Settling Defendants, given, for example, the complicated accounting and legal issues involved. The amount of damages that Lead Plaintiffs could prove at trial, if any, has also been a matter of serious dispute, and the proposed loss amount formula for distributing the Settlement proceeds does not constitute a finding, admission or concession that provable damages could be measured by that formula at trial. No determination has been made by the Court as to liability or the amount, if any, of damages suffered by the Settlement Class, nor on the proper measure of damages. The determination of damages, like the determination of liability, is a complicated and uncertain process, involving conflicting expert opinions. The Settlement provides an immediate and substantial cash benefit to Settlement Class Members and avoids the risks that liability or damages might not have been proven at trial.

25. In light of the foregoing, Lead Counsel agrees with Lead Plaintiffs and believes that the Settlement set forth in the Stipulation confers substantial benefits upon the Settlement Class and its members. Lead Counsel, based on its evaluation, has determined that the Settlement set forth in the Stipulation is fair, reasonable, and in the best interests of the Lead Plaintiffs and the Settlement Class.

#### **J. WHY HAVE THE SETTLING DEFENDANTS AGREED TO THE SETTLEMENT?**

26. Settling Defendants have denied and continue to deny liability with respect to each and all of the claims alleged by Lead Plaintiffs on behalf of the Settlement Class.

27. Nonetheless, the Settling Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation to limit further expense, inconvenience and distraction; to dispose of the burden of protracted litigation; and to permit the operation of Williams' business without further distraction and diversion of the company's personnel with respect to the matters at issue in the Litigation. The Settling Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as this one. Williams and the Individual Settling Defendants have also taken into account the insurance coverage available under their directors and officers insurance policies, which will be exhausted by the Settlement and expected payments in connection with settlement of pending derivative litigation.

28. The Settling Defendants have therefore determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation. The Settling Defendants enter into the Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court against any of the Settling Defendants on the merits of the claims asserted by Lead Plaintiffs. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by any of the Settling Defendants of the merit or truth of any of the allegations or wrongdoing of any kind on the part of any of the Settling Defendants. The Settling Defendants enter into the Stipulation based upon, among other things, the Settling Parties' agreement herein that, to the fullest extent permitted by law, neither the Stipulation nor any of its terms or provisions, nor any of the negotiations or proceedings connected therewith, nor this Notice, shall be offered as evidence in the Litigation or in any pending or future civil, criminal, or administrative action or other proceeding to establish any liability or admission by any of the Released Persons or any other matter adverse to any of the Released Persons.

#### **K. HOW MUCH WILL MY PAYMENT BE? WHAT IS THE PLAN OF ALLOCATION?**

29. The Stipulation provides for an allocation of the Net Settlement Fund in accordance with the Plan of Allocation, attached to this Notice, among Settlement Class Members who submit valid and timely Proof of Claim and Release forms. Each Settlement Class Member's Recognized Claim (as defined in the attached Plan of Allocation), if any, is calculated as explained in the Plan of Allocation. Along with this Settlement, Lead Plaintiffs seek Court approval for the Plan of Allocation, but approval of the Settlement is independent from approval of the Plan of Allocation. In other words, any determination with respect to the Plan of Allocation will not affect the Court's approval of the Settlement. The Plan of Allocation was created by Lead Plaintiffs, through Lead Counsel, with the substantial assistance of an outside damages expert. None of the Settling Defendants nor any other of the Released Persons have any role in, or responsibility for, or liability whatsoever for the Plan of Allocation.

30. The amount of recovery by any particular Settlement Class Member depends on a number of factors, including: (i) when and for what price the Settlement Class Member purchased and/or sold his, her or its securities; (ii) how much of the Settlement Class Member's loss was attributable to the alleged fraud; and (iii) the total number of securities for which timely and valid Proof of

Claim and Release forms and requests for exclusion are submitted by Settlement Class Members.

31. Each Authorized Claimant will be allocated a pro rata share of the Net Settlement Fund, based on his, her or its Recognized Claim (as calculated under the Plan of Allocation) compared to the total Recognized Claims of all Authorized Claimants. Each Authorized Claimant will be paid an amount determined by multiplying his, her or its Recognized Claim by a fraction, the numerator of which will be the aggregate of the Net Settlement Fund, plus accrued interest, and the denominator of which will be the total Recognized Claims of all Authorized Claimants. As required by the PSLRA, based on the estimated number of damaged shares, as determined by Lead Plaintiffs' independent damages expert, and assuming all owners of the damaged shares elect to participate, the average recovery is \$0.80 per damaged share. Settlement Class Members may receive more or less than the amount referred to above, and may even recover nothing depending on, among other factors, when their securities were purchased or sold, the number of Settlement Class Members who file valid claims, the number of Williams securities purchased by Persons that opt-out of the Settlement, the amount of interest that has accrued on the available funds as of the time of the distribution, administrative costs, including the costs of notice and administration of the Settlement, the amount awarded by the Court for attorneys' fees and costs, and the Plan of Allocation. In addition, the aggregate per share calculation may be further reduced by amounts that, under the Plan of Allocation, may be claimed by purchasers or acquirers of Williams FELINE PACS and/or Williams August Notes.

**L. WILL I BE COMPENSATED FOR ALL OF MY LOSSES?**

32. No. Settlement Class Members will only be compensated for their pro rata share of damages asserted to be attributable to the alleged fraud. The movement of Williams common stock, August Notes, and FELINE PACS price over time may include the effect of other market factors in addition to movements allegedly due to the alleged fraud. Any losses sustained as a result of such market factors, or other factors not alleged in the Complaint are not compensable under the federal securities laws.

**M. MUST I FILE A CLAIM TO RECEIVE MONEY FROM THE SETTLEMENT?**

33. **Yes. Every Person wishing to participate in the distribution of the Net Settlement Fund must timely submit a valid Proof of Claim and Release form.** Settlement Class Members who do not file valid Proof of Claim and Release forms will not share in the Settlement proceeds. Settlement Class Members who do not file valid Proof of Claim and Release forms will nevertheless be bound by the Judgment and the Settlement unless they exclude themselves from the Settlement Class as set forth below.

34. Once the Claims Administrator has considered a timely submitted Proof of Claim and Release, Lead Counsel, through the Claims Administrator, will determine, based upon the Plan of Allocation, as approved by the Court, whether such claim is valid, deficient or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator will send a deficiency letter or a rejection letter, as appropriate, describing the bases on which the claim was so determined. Each Settlement Class Member who receives a deficiency or rejection letter shall have 30 days from the date of such letter to supply to the Claims Administrator documentation and/or explanations sufficient to remedy the deficiency or rejection. Any Settlement Class Member who receives a deficiency letter or a rejection letter and who fails to submit documentation or explanation sufficient to remedy the deficiency or reason for rejection within the time prescribed herein shall have such claim deemed finally rejected. Such finally rejected claims will be submitted to the Court as rejected claims at such time as Lead Plaintiffs move the Court for an Order approving distribution of the Net Settlement Fund, unless the recipient objects in writing to the deficiency letter or rejection letter, in which case the claim will be submitted to the Court as a disputed claim.

35. If a Settlement Class Member timely responds to a deficiency letter or rejection letter by providing an explanation and/or documentation in response to such a deficiency letter or rejection letter, Lead Counsel, through the Claims Administrator, will determine whether such explanation and/or documentation is sufficient to remedy the deficiency or reason for rejection. If Lead Counsel, through the Claims Administrator, determines that the explanation and/or documentation submitted in response to the deficiency letter or the rejection letter is sufficient, such claim will be deemed a valid claim. If, on the other hand, Lead Counsel, through the Claims Administrator, determines the explanation and/or documentation is not sufficient to remedy the deficiency or reason for rejection, such claim will be deemed formally rejected and the Settlement Class Member shall be so notified. Should such Settlement Class Member so request, such formally rejected claims will be submitted to the Court as disputed claims at such time as Lead Plaintiffs move the Court for an Order approving distribution of the Net Settlement Fund.

**N. WOULD THE AMOUNT OF MY CLAIM BE THE SAME IF THE CASE WENT TO TRIAL?**

36. The amount of a Settlement Class Member's Recognized Claim (as defined in the attached Plan of Allocation) as computed pursuant to the Plan of Allocation is intended to be an estimate of a Settlement Class Member's damages if the claims were successfully proven by Lead Plaintiffs at trial. If the case went to trial, it is uncertain what a jury may decide with respect to Settling Defendants' alleged liability for each claim or the amount of damages, if any, that the Settlement Class Member should be awarded.

**O. WHAT IF I RECEIVED WILLIAMS SECURITIES DURING THE SETTLEMENT CLASS PERIOD BUT DID NOT PURCHASE THEM?**

37. If a Claimant acquired Williams securities during the Settlement Class Period by means of a gift, inheritance or operation of law (except those shares exchanged by reason of the merger of Barrett Resources Corporation and Williams), such a claim will be computed by using the price of the Williams securities on the original date of purchase and not the date of transfer. To the extent that those Williams securities were originally purchased prior to commencement of the Settlement Class Period, the Recognized Claim for that acquisition shall be zero.



**P. WHAT PART OF THE SETTLEMENT FUND GETS DISTRIBUTED TO SETTLEMENT CLASS MEMBERS?**

38. In accordance with the terms of the Stipulation, certain payments will be made from the Settlement Fund prior to any distribution to Settlement Class Members. These payments include:

- (a) Payment of all Notice and Administration Expenses;
- (b) Payment of taxes and tax expenses;
- (c) Payment of escrow fees and costs associated with the Escrow Account;
- (d) Payment, if any, to Williams if certain opt-out thresholds are met (See paragraph 57 below); and
- (e) Reimbursement of Securities Class Counsel's and plaintiffs' expenses incurred in prosecuting this Litigation and payment of Securities Class Counsel's attorneys' fees, together with interest at the same rate as earned by the Settlement Fund, as approved by the Court.

After deduction for the payments set forth in the Stipulation, the Net Settlement Fund will be distributed to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, and/or the Court.

**Q. CAN ANY OF THE MONEY AVAILABLE FOR DISTRIBUTION TO SETTLEMENT CLASS MEMBERS BE RETURNED TO SETTLING DEFENDANTS IF SOME SETTLEMENT CLASS MEMBERS FAIL TO SUBMIT A CLAIM?**

39. This is not a claims-made settlement, which means that the Net Settlement Fund will be distributed in its entirety to Settlement Class Members who timely file valid Proof of Claim and Release forms.

**R. HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

40. If you fall within the definition of the Settlement Class, you may be entitled to participate in the Settlement. If you do not request to be excluded from the Settlement Class (see paragraph 49 below), you will be bound by any judgment entered in the Litigation whether or not you file a Proof of Claim and Release, including the release of all Released Claims against all Released Persons and dismissal with prejudice of any Released Claims you may possess against the Settling Defendants.

41. If you wish to participate in the Settlement and the distribution of the Net Settlement Fund, the only thing you must do is timely file a valid Proof of Claim and Release. Your interests will be represented by Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

42. **TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE.** The Proof of Claim and Release must be postmarked on or before February 16, 2007, and mailed to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be barred from receiving any payment, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

43. Extra copies of the Proof of Claim and Release form can be requested from the Claims Administrator at:

Williams Securities Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 91185  
Seattle, WA 98111-9285  
(888) 366-5344  
[www.wmbsettlement.com](http://www.wmbsettlement.com)

**S. WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?**

44. If the Settlement is approved, the Court will enter a Judgment. The Judgment will dismiss the claims against the Settling Defendants with prejudice and provide that Lead Plaintiffs and all Settlement Class Members (who do not include Persons or entities that elect to exclude themselves from the Settlement Class), shall upon the Effective Date of the Judgment be deemed to have, and by operation of the Judgment shall have, waived, released, forever discharged and dismissed and agreed not to institute, maintain or prosecute any or all of the Released Claims (including "Unknown Claims" as defined below) against any or all of the Released Persons, and shall be permanently and finally enjoined from commencing or prosecuting any actions or other proceedings asserting any of the Released Claims against any of the Released Persons.

45. "Unknown Claims" means any claims or causes of action that any Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement or not to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Lead Plaintiffs and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Lead Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiffs shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts against any and all Released Persons. The Lead Plaintiffs acknowledge, and the Settlement Class Members shall be deemed to have acknowledged, and by operation of the Judgment shall have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

**T. HOW WILL THE ATTORNEYS BE PAID FOR THEIR WORK IN THIS CASE?**

46. Prior to and for consideration at the Settlement Hearing, Lead Counsel will file a combined application to the Court for an award of attorneys' fees and reimbursement of costs and expenses on behalf of Securities Class Counsel.

47. With Lead Plaintiffs' approval, Lead Counsel will submit a request for aggregate attorneys' fees, not to exceed twenty-five (25%) of the Settlement Fund after deduction of Court awarded expenses, plus interest at the same rate as earned by the Settlement Fund. The combined attorneys' fee and reimbursement of costs and expenses application will be filed on behalf of Lead Counsel and all other Securities Class Counsel, regardless of whether any such counsel is still involved in this case. Lead Plaintiffs believe that the requested fees are consistent with attorneys' fees awarded in contingent class actions of this size and complexity. Lead Counsel will also apply, on behalf of itself, Securities Class Counsel and plaintiffs, for reimbursement of expenses incurred in prosecuting the Settlement Class claims, including the fees of consultants and experts, in a total amount not to exceed \$11.5 million, plus interest at the same rate as earned by the Settlement Fund. If approved by the Court, the requested fees would not exceed an average cost of \$.19 per damaged share. If approved by the Court, the requested costs and expenses would not exceed an average cost of \$.03 per damaged share. These average costs per share could vary depending on various factors, including the number of shares and other Williams securities for which claims are filed. If subsequent costs and expenses are incurred in connection with this case, Lead Counsel may apply to the Court for reimbursement of those costs and expenses without further notice to the Settlement Class. Lead Counsel and certain Securities Class Counsel have expended considerable time and effort in the prosecution of this Litigation (prosecuting the case through the completion of extensive document discovery, witness and expert depositions, and summary judgment briefing) on a contingent fee basis, and have advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Settlement Class, they would receive fees and be reimbursed for their expenses from the recovery. The approval of the Settlement and approval of the Plan of Allocation are independent from approval of the combined Fee and Expense Application.

48. To date, neither Lead Counsel nor any of the Securities Class Counsel have received any payment for their services in prosecuting this Litigation on behalf of the Settlement Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested would compensate Lead Counsel and Securities Class Counsel for their efforts in achieving the Settlement for the benefit of the Settlement Class and for their risk in undertaking this representation on a contingent basis. Lead Plaintiffs believe that the fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type, magnitude and complexity. The Court will determine the actual amount of the award. The Court has not expressed any opinion on the Fee and Expense Application.

**U. WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?**

49. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit concerning the Settlement, whether favorable or unfavorable, unless such Settlement Class Member mails, by first class mail, a written request for exclusion from the Settlement Class, postmarked no later than December 22, 2006, addressed to:

Williams Securities Litigation  
EXCLUSIONS  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 91185  
Seattle, WA 98111-9285

No one may exclude himself, herself or itself from the Settlement Class after that date or in any other manner. If you choose to be excluded from the Settlement Class, you must submit a written request for exclusion that includes your name, address, telephone number, fax number and email address (if available). You must provide the amount of Williams securities held on July 24, 2000, and the date(s), price(s), types and number(s) of shares, August Notes or FELINE PACS for all purchases, exchanges or other acquisitions and sales of Williams securities during the Settlement Class Period. In your request for exclusion you should state "I wish to be excluded from the class," or similar words. You must sign the request for exclusion. Your mailed request for exclusion must be postmarked no later than December 22, 2006.

50. If a Settlement Class Member requests to be excluded from the Settlement Class, that Settlement Class Member will not participate in the distribution of the Net Settlement Fund.

**V. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT AND RELATED MATTERS? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT OR THE OTHER MATTERS REFERENCED IN THIS NOTICE?**

51. The Settlement Hearing will be held on February 9, 2007, at 10:00 a.m., before the Honorable Stephen P. Friot, United States District Judge, at the United States District Court for the Northern District of Oklahoma, 333 W. Fourth St., Tulsa, OK 74103.

52. If you are a Settlement Class Member, you can object to any part of the Settlement that you do not like. To object, you must properly serve by hand, overnight-delivery service or first-class mail, for receipt on or before January 19, 2007, written objections and copies of any supporting papers and briefs (which must contain proof of all purchases, acquisitions, sales and dispositions of Williams publicly traded securities, including common stock, August Notes and FELINE PACS, made by such Settlement Class Member during the Settlement Class Period) upon Lead Counsel and counsel for Settling Defendants listed below, and file on or before January 19, 2007, said objections and copies of any supporting papers and briefs, along with due proof of such service upon all counsel, with the Clerk of the United States District Court for the Northern District of Oklahoma, Page Belcher Federal Building, 333 West Fourth, Room 411, Tulsa, OK 74103, Tel: (918) 699-4700. A written objection must identify any witnesses the objector may call to testify and exhibits that may be introduced into evidence at the Settlement Hearing.

LEAD PLAINTIFFS' COUNSEL	SETTLING DEFENDANTS' COUNSEL			
<p><i>For Lead Plaintiffs:</i></p> <p>Blair A. Nicholas, Esq. BERNSTEIN LITOWITZ BERGER &amp; GROSSMANN LLP 12481 High Bluff Drive Suite 300 San Diego, CA 92130 Tel: (858) 793-0070</p>	<p><i>For Williams and its Officer Defendants:</i></p> <p>Timothy K. Roake, Esq. GIBSON, DUNN &amp; CRUTCHER, L.L.P. 1881 Page Mill Road Palo Alto, CA 94304 Tel: (650) 849-5300</p>	<p><i>For the Outside Director Defendants:</i></p> <p>Vance L. Beagles, Esq. WEIL, GOTSHAL &amp; MANGES LLP 200 Crescent Court Suite 300 Dallas, TX 75201 Tel: (214) 746-7700</p>	<p><i>For the Underwriter Defendants:</i></p> <p>Jonathan M. Hoff, Esq. CADWALADER, WICKERSHAM &amp; TAFT, LLP One World Financial Center New York, NY 10281 Tel: (212) 504-6000</p>	<p><i>For Defendant Ernst &amp; Young:</i></p> <p>Charles W. Cox, Esq. LATHAM &amp; WATKINS LLP 633 West Fifth St. Suite 4000 Los Angeles, CA 90071 Tel: (213) 485-1234</p>

53. Only Settlement Class Members who have not excluded themselves from the Settlement Class and who timely and properly submitted written notices of objection and related documentation in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise. If you do not wish to object to the Settlement, the Plan of Allocation, or the Fee and Expense Application, you need not attend the Settlement Hearing scheduled for February 9, 2007 at 10:00 a.m.

54. The Settlement Hearing may be delayed from time to time by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

55. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the Settlement, the Fee and Expense Application, and/or the Plan of Allocation. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**W. WHAT IF THE SETTLEMENT IS NOT APPROVED?**

56. In the event that the Stipulation is not approved by the Court or the Settlement set forth herein (or a portion thereof) is terminated or fails to become effective in accordance with its terms, the Settling Parties will be restored to their respective positions as of June 9, 2006, as provided in the Stipulation of Settlement. The settlements (a) between Lead Plaintiffs and E&Y (the "E&Y Settlement") and (b) among Lead Plaintiffs, Williams, the Individual Settling Defendants and the Underwriter Defendants (the "Williams Settlement") were negotiated separately and independently from each other and either settlement shall proceed separately without further notice if one settlement is terminated for reasons that do not affect the other settlement as set forth in the Stipulation.

57. Williams has the right to terminate and cancel its participation in the Settlement if the Persons or entities who would otherwise be members of the Settlement Class, but who exclude themselves from the Settlement Class in accordance with the terms of the Notice ("Opt-Outs"), exceeds certain thresholds, as set forth in a separate agreement between Lead Plaintiffs and Williams (the "Supplemental Agreement"). If this threshold is met, Williams, if it chooses to terminate the Settlement, must do so by the later of fourteen (14) calendar days before the Settlement Hearing or fourteen (14) calendar days after Lead Counsel provides copies of all timely and valid requests for exclusion to Williams' counsel. In addition, if the number of excluded securities (which would otherwise be entitled to damages) exceeds a certain percentage, then a portion of the Settlement Fund could be returned to Williams, depending upon the total number of excluded securities. The Net Settlement Fund, even if reduced, will still be distributed among the remaining eligible Settlement Class Members, who will not include those persons or entities who exclude themselves from the Settlement Class.

Therefore, any reduction in the Net Settlement Fund may increase, decrease or have no effect on the remaining Settlement Class Members' pro rata distribution under the Settlement. E&Y has the right to terminate and cancel its participation in the Settlement if the Opt-Outs exceeds certain thresholds, as set forth in a separate agreement between Lead Plaintiffs and E&Y (the "E&Y Supplemental Agreement"). If this threshold is met, E&Y, if it chooses to terminate the Settlement, must do so by the later of fourteen (14) calendar days before the Settlement Hearing or fourteen (14) calendar days after Lead Counsel provides copies of all timely and valid requests for exclusion to E&Y's counsel. If Williams exercises its right to terminate its participation in the Settlement, or if the Court approves the E&Y Settlement but does not approve the Williams Settlement, the E&Y Settlement will proceed without further notice as set forth in the Stipulation. If E&Y exercises its right to terminate its participation in the Settlement, or if the Court approves the Williams Settlement but does not approve the E&Y Settlement, the Williams Settlement will proceed without further notice as set forth in the Stipulation.

**X. WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF OR REPRESENT A BROKER, BANK OR OTHER NOMINEE?**

58. If you purchased, exchanged or otherwise acquired publicly traded common stock, August Notes or FELINE PACS of Williams as nominee for a beneficial owner, then, within ten (10) business days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release by first-class mail to all such Persons; or (2) provide a list of the names and addresses of such beneficial owners to the Claims Administrator, preferably in a Microsoft Access data table (.mdb file), a Microsoft Excel spreadsheet (.xls file) or a tab-delimited or comma-delimited ASCII .txt file, setting forth (a) title/registration, (b) street address, (c) city/state/zip. If you choose to mail the Notice and Proof of Claim and Release yourself, within ten (10) business days of such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed. You will be reimbursed from the Settlement Fund upon receipt by the Claims Administrator of proper documentation for the reasonable expenses of sending the Notices and Proof of Claim and Release forms to the beneficial owners. You may obtain (without cost to you) as many additional copies of these documents as you will need to complete the mailing by contacting the Claims Administrator at:

Williams Securities Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 91185  
Seattle, WA 98111-9285  
(888) 366-5344

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement of reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and Release and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release, upon submission of appropriate documentation to the Claims Administrator.

**Y. CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

59. This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of Clerk of the Court, U.S. District Court, Page Belcher Federal Building, 333 West Fourth, Room 411, Tulsa, OK 74103. The Stipulation is also available at [www.wmbsettlement.com](http://www.wmbsettlement.com).

60. If you have any questions about the Settlement of the Litigation, please contact the Claims Administrator at:

Williams Securities Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 91185  
Seattle, WA 98111-9285  
(888) 366-5344

You may also contact Lead Counsel at:

Blair A. Nicholas, Esq.  
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP  
12481 High Bluff Drive, Suite 300  
San Diego, CA 92130  
Tel: (858) 793-0070

**DO NOT CONTACT THE COURT OR OFFICE OF THE CLERK OF COURT OR ANY REPRESENTATIVE OF THE SETTLING DEFENDANTS CONCERNING THIS NOTICE.**

Dated: October 5, 2006

BY ORDER OF THE HONORABLE STEPHEN P. FRIOT  
UNITED STATES DISTRICT JUDGE

## **PLAN OF ALLOCATION**

The Settlement Fund is for the benefit of persons or entities who purchased or acquired the publicly traded securities of Williams during the Settlement Class Period and were injured thereby, and who did not timely exclude themselves from the Settlement Class.<sup>1</sup> This Plan of Allocation sets forth the Lead Plaintiffs' proposal for the manner in which the Net Settlement Fund shall be distributed among members of the Settlement Class ("Settlement Class Members") who timely submit a valid Proof of Claim and Release ("Authorized Claimants"). This Plan is subject to approval by the Court.

After approval of the Settlement by the Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation described below.

The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Settlement Class Member. The Court also reserves the right to modify the Plan of Allocation without further notice to Settlement Class Members. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court.

### **I. CALCULATION OF RECOGNIZED CLAIM**

Under the Plan of Allocation, for each valid Proof of Claim received by the Claims Administrator, the Claims Administrator will calculate a "Recognized Claim" for each type of security transaction during the Settlement Class Period that may result in the Settlement Class Member being eligible to receive a distribution from the Net Settlement Fund. Recognized Claims are generally based on calculations of artificial inflation by Lead Plaintiffs' independent damages expert, and adjusted as required by the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The Recognized Claim amounts will be aggregated and the Settlement monies will be distributed on a pro rata basis.

Only those Settlement Class Members who purchased or otherwise acquired Williams' publicly traded securities between July 24, 2000 and July 22, 2002, inclusive ("Settlement Class Period") are entitled to recover from the Settlement Fund. The publicly traded securities are: Williams common stock traded on the open market and Williams common stock issued pursuant to the Barrett Resources Offering and the January 2001 Common Stock Offering (collectively "Williams Common Stock"), 7.125% Notes due 2011 and 7.875% Notes due 2021 issued in August 2001 ("August Notes"), and FELINE PACS issued in January 2002. These publicly traded securities are referred to collectively as the "Williams Securities." The Settlement Fund will not provide any recovery for trading in any other Williams securities.

As set forth below, only those Settlement Class Members who (i) purchased or acquired Williams Securities during the Settlement Class Period; (ii) did not sell such Williams Securities prior to December 11, 2001; and (iii) incurred losses under the federal securities laws, will be eligible to share in the distribution of the Net Settlement Fund. Whether a Settlement Class Member has sustained a Recognized Claim that will entitle him, her or it to recover from the Settlement Fund will depend on the calculation of a Recognized Claim for that Settlement Class Member.

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<sup>1</sup> Unless otherwise noted, words in initial capitals not defined in this Plan of Allocation are defined in the Stipulation of Settlement ("Stipulation"), dated August 28, 2006, available at [www.wmbsettlement.com](http://www.wmbsettlement.com).

**A. Williams Securities Eligible to Receive Distributions From The Settlement Fund**

Purchasers or acquirers of the following Williams securities may be entitled to a distribution from the Settlement Fund:

**1. Williams Common Stock**

- a. Williams common stock purchased or otherwise acquired on the open market during the Settlement Class Period.
- b. Williams common stock issued pursuant or traceable to Williams' January 2001 Common Stock Offering
- c. Williams common stock issued pursuant to or traceable to the August 2001 exchange of Barrett Resources Corporation shares for Williams common stock in the Barrett Resources Offering.

**2. Williams Notes**

- a. Williams Notes issued in August 2001, including:

Cusip Number	Coupon Rate	Maturity Date	Offering Price
969457BF6	7.125%	2011	99.707
969457BG4	7.875%	2021	99.846

**3. FELINE PACS**

- a. FELINE PACS issued pursuant or traceable to Williams' FELINE PACs offering on or about January 7, 2002.

**B. Recognized Claim**

The Net Settlement Fund will be distributed on a pro rata basis based upon the aggregate Recognized Claims. Only investors whose loss was caused by the defendants' alleged misrepresentations or material omissions are entitled to recover in a federal securities law case. Lead Plaintiffs' damages expert has determined that the first partial disclosure of prior alleged misrepresentations and/or omissions by Williams occurred no earlier than December 11, 2001. As a result, investors who purchased or acquired Williams Securities during the Settlement Class Period but sold those securities before December 11, 2001, are not entitled to collect damages under the securities laws, and thus their Recognized Claim is \$0. Investors who purchased Williams Securities on or after December 11, 2001, and sold those securities prior to July 22, 2002 (the end of the Settlement Class Period), may be entitled to collect damages under the securities laws because Lead Plaintiffs' damages expert has determined that there were numerous partial disclosures of prior alleged misrepresentation and/or omissions by Williams between December 11, 2001 and July 22, 2002.

Consistent with the allegations set forth in the Complaint, Lead Plaintiffs' independent damages expert calculated the inflation per share for Williams common stock purchased or acquired on the open market pursuant to Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"). See Table A. With respect to Williams common stock issued pursuant to the Barrett Resources Offering and the January 2001 Common Stock Offering, the FELINE PACS, and the August 2001 Notes, the inflation per share, the inflation per FELINE PAC and the adjustment factors for the August 2001 Notes were calculated pursuant to Section 11 of the Securities Act of 1933 ("Securities Act"). See Tables B-E.

### Recognized Claim for Williams Common Stock and FELINE PACS

Recognized Claims for Williams Common Stock and FELINE PACS are based on the level of alleged artificial inflation in the price of Williams' securities, as determined by Lead Plaintiffs' independent damages expert. The Settling Defendants had no input into this Plan of Allocation and do not agree with the characterization that any damages were suffered by any members of the Settlement Class as a result of any actionable conduct by any Settling Defendant.

Lead Plaintiffs' independent damages expert calculated the reasonable percentage of alleged artificial inflation in the daily closing market prices for Williams' Common Stock and FELINE PACS for each day in the Settlement Class Period that, in his expert opinion, was attributable to the alleged wrongdoing. Lead Plaintiffs' independent damages expert specializes in computing damages under the Securities Act of 1933 and the Securities Exchange Act of 1934, and was retained as Lead Plaintiffs' damages expert in connection with the Litigation and was deposed by the defendants. Lead Plaintiffs' independent expert analyzed the market price reaction to public disclosures that revealed or described the alleged misrepresentations or their effects. Further, Lead Plaintiffs' independent expert measured the percentage price decline associated with each particular disclosure, adjusted that price reaction to eliminate the effects, if any, attributable to general market or industry conditions, and used standard statistical techniques to ensure that the price reaction was statistically significant (i.e., greater than the normal variation in the price). Lead Plaintiffs' expert thus isolated the price effect that he reasonably believed was caused by inflationary statements that increased the alleged artificial inflation present in the market price of Williams' Common Stock and FELINE PACS.

By accumulating the total isolated market reaction attributable to each public disclosure of the alleged fraud, Lead Plaintiffs' independent damages expert determined, in his expert opinion, the reasonable amount of total artificial inflation in the market price of Williams' Common Stock and FELINE PACS, expressed as a percentage of closing market price for each day of the Settlement Class Period (inflation for the August 2001 Notes is discussed further below). Based on the isolated market reaction attributable to each inflationary statement and public disclosures of the alleged fraud, Lead Plaintiffs' damages expert determined the reasonable percentage of artificial inflation in the market price of Williams' Common Stock and FELINE PACS. The percentage of artificial inflation in the closing market price for each day was then applied to the closing market prices for each day during the Settlement Class Period to calculate the dollar artificial inflation on each day during the Settlement Class Period.

### Recognized Claim for Williams August Notes

The Recognized Claims for the August Notes are based on the portion of the decline in their respective prices below the initial public offering prices not explained by market, industry or other facts unrelated to the allegations in the Complaint. The adjustment factors utilized to calculate the Recognized Claims for the August Notes reflects the portion of the loss in the value of the August Notes on that particular day that is attributable to market and industry forces and other factors not alleged in the Complaint against the Settling Defendants. The adjustment factors were calculated by Lead Plaintiffs' independent damages expert and are consistent with his expert report submitted in the Litigation.

#### **1. Recognized Claim: Williams Common Stock**

##### **a. Open Market Purchase or Acquisition of Williams Common Stock:**

Shares of Williams Common Stock purchased or otherwise acquired on the open market during the Settlement Class Period:

**And still held as of July 22, 2002, the last day of the Settlement Class Period:** For each share of Williams Common Stock purchased or otherwise acquired on the open market during the Settlement Class Period and still held on July 22, 2002, the Recognized Loss is the amount of artificial inflation per share for the date that share was purchased or acquired as set forth in Table A.

**And sold during the period December 11, 2001 through July 22, 2002:** For each share of Williams Common Stock purchased or otherwise acquired on the open market during the Settlement Class Period and sold during the period from December 11, 2001 through July 22, 2002, the Recognized Claim is the amount by which the

artificial inflation, as set forth in Table A, for the date the share was purchased, exceeds the artificial inflation, as set forth in Table A, for the date the share was sold.

**b. January 2001 Common Stock Offering:**

Shares of Williams Common Stock issued pursuant or traceable to Williams' January 2001 Common Stock Offering that were purchased or otherwise acquired during the Settlement Class Period:

**And still held as of July 22, 2002, the last day of the Settlement Class Period:** For each share of Williams Common Stock issued pursuant or traceable to Williams' January 2001 Common Stock Offering that was purchased or otherwise acquired during the Settlement Class Period, and still held on July 22, 2002, the Recognized Claim is the amount of artificial inflation per share for the date that share was purchased or acquired as set forth in Table B.

**And sold during the period December 11, 2001 through July 22, 2002:** For each share of Williams Common Stock issued pursuant or traceable to Williams' January 2001 Common Stock Offering that was purchased or otherwise acquired during the Settlement Class Period, and sold during the period from December 11, 2001 through July 22, 2002, the Recognized Claim is the amount by which the artificial inflation, as set forth in Table B, for the date the share was purchased, exceeds the artificial inflation, as set forth in Table B, for the date the share was sold.

**c. Williams Common Stock Issued In Exchange for Barrett Resources Shares:**

Williams Common Stock issued pursuant to or traceable to the exchange of Barrett Resources Corporation shares for Williams Common Stock in August 2001, that was purchased or otherwise acquired during the Settlement Class Period:

**And still held as of July 22, 2002, the last day of the Settlement Class Period:** For each share of Williams Common Stock issued pursuant or traceable to the exchange of Williams Common Stock for Barrett Resources shares in the Barrett Resources Offering, that was purchased or otherwise acquired during the Settlement Class Period and still held on July 22, 2002, the Recognized Claim is the amount of artificial inflation per share for the date that share was purchased or acquired as set forth in Table C.

**And sold during the period December 11, 2001 through July 22, 2002:** For each share of Williams Common Stock issued pursuant or traceable to the exchange of Williams Common Stock for Barrett Resources shares in the Barrett Resources Offering, that was purchased or otherwise acquired during the Settlement Class Period, and sold during the period from December 11, 2001 through July 22, 2002, the Recognized Claim is the amount by which the artificial inflation, as set forth in Table C, for the date the share was purchased, exceeds the artificial inflation, as set forth in Table C, for the date the share was sold.

**2. Recognized Claim: August 2001 Notes**

**a. Williams 7.125% Notes due 2011 that were purchased or otherwise acquired during the Settlement Class Period:**

**And sold during the period December 11, 2001 through October 6, 2003:** For each 7.125% Note due 2011 purchased or otherwise acquired during the Settlement Class Period and sold during the period December 11, 2001 through October 6, 2003, the Recognized Claim is the lesser of either the purchase price minus the sale price, or the offering price minus the sale price, and then adjusted using the adjustment factors in Table D. The adjustment factors will be used to reduce the amount of the Recognized Claim by the greater of: (i) the face value (principal amount) of the notes purchased multiplied by the difference between the adjustment factor on the date of sale and the adjustment factor on the date of purchase; or (ii) zero.

**And held or sold after October 6, 2003:** For each 7.125% Note due 2011 purchased or otherwise acquired during the Settlement Class Period, and held or sold after October 6, 2003, the Recognized Claim is zero (\$0). Lead Plaintiffs' independent damages expert determined that after October 6, 2003, there was no artificial inflation contained in the 7.125% Notes due 2011 that was related to any allegations in the Complaint.



**b. Williams 7.875% Notes due 2021 that were purchased or otherwise acquired during the Settlement Class Period:**

**And sold during the period December 11, 2001 through April 22, 2003:** For each 7.875% Note due 2021 purchased or otherwise acquired during the Settlement Class Period and sold during the period December 11, 2001 through April 22, 2003, the Recognized Claim shall be the lesser of either the purchase price minus the sale price, or the offering price minus the sale price, and then adjusted using the adjustment factors in Table D. The adjustment factors will be used to reduce the amount of the Recognized Claim by the greater of: (i) the face value (principal amount) of the notes purchased multiplied by the difference between the adjustment factor on the date of sale and the adjustment factor on the date of purchase; or (ii) zero.

**And held or sold after April 22, 2003:** For each 7.875% Notes due 2021 purchased or otherwise acquired during the Settlement Class Period, and held or sold after April 22, 2003, the Recognized Claim is zero (\$0). Lead Plaintiffs' independent damages expert determined that after April 22, 2003, there existed no artificial inflation in the 7.875% Notes due 2021 that was related to any allegations in the Complaint.

**3. Recognized Claim: FELINE PACS**

The FELINE PACS purchased or acquired during the Settlement Class Period:

**And still held as of July 22, 2002, the last day of the Settlement Class Period:** For each FELINE PAC purchased or otherwise acquired between January 14, 2002 and July 22, 2002, the Recognized Claim is the amount of artificial inflation per FELINE PAC for the date that FELINE PAC was purchased or acquired as set forth in Table E.

**And sold during the period January 14, 2002 through July 22, 2002:** For each FELINE PAC purchased or otherwise acquired between January 14, 2002 and July 22, 2002, and sold during the period from January 14, 2002 through July 22, 2002, the Recognized Claim is the amount by which the artificial inflation, as set forth in Table E, for the date the FELINE PAC was purchased, exceeds the artificial inflation, as set forth in Table E, for the date the FELINE PAC was sold.

**II. GENERAL PROVISIONS**

A. A purchase or acquisition of Williams Securities will be presumed to be on the open market unless the Settlement Class Member submits proof to the Claims Administrator that the purchase or acquisition was made pursuant or traceable to the Offerings identified herein.

B. The Net Settlement Fund will be allocated among all Authorized Claimants.

C. Each Authorized Claimant shall recover his or her Recognized Claim. However, in the event that the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each such Authorized Claimant shall receive his/her pro rata share of the Net Settlement Fund, which shall be his/her Recognized Claim divided by the total of all Recognized Claims to be paid from the Net Settlement Fund, multiplied by the total amount of the Net Settlement Fund. The proration factor applied to the Authorized Claims of Settlement Class Members will be based on the amount in the Net Settlement Fund that is available to satisfy those claims.

D. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed pro rata to all Authorized Claimants entitled to receive payment out of the Net Settlement Fund.

E. Each Authorized Claimant will be required to provide proof of his/her/its ownership position in Williams Securities as of the opening of trading on July 24, 2000; the ownership position in Williams Common Stock and FELINE PACS as of the close of trading on July 22, 2002; the ownership position in Williams 7.125% Notes due 2011 as of the close of trading on October 6, 2003; the ownership position in Williams 7.875% Notes due 2021 as of the close of trading on April 22, 2003. Each Proof of Claim and Release also must list all transactions in Williams Common Stock and FELINE PACS, including all purchases and sales, made during the Settlement Class Period; and all transaction in Williams 7.125% Notes due 2011 between July 24, 2000 and October 6, 2003; and all transactions in Williams 7.875% Notes due 2021 between July 24, 2000 and April 22, 2003.

F. For Settlement Class Members who acquired Williams Securities by exercising employee stock options granted to him, her or it by Williams, the purchase price shall be the exercise price or strike price that the Settlement Class Member actually paid.

G. For Settlement Class Members who conducted multiple transactions in Williams Securities during the Settlement Class Period:

1. The earliest subsequent sale of a Williams Security shall be matched first against the respective Williams Security in the Claimant's opening position on the first day of the Settlement Class Period or first date of purchase, and then matched chronologically thereafter against each purchase or acquisition made during the Settlement Class Period;

2. The "Aggregate Recognized Claims" for each Settlement Class Member will then be calculated as to each Williams Security by accumulating, for each respective transaction, the sum of the Recognized Claims per Williams Security purchased or otherwise acquired by the Settlement Class Member, as set forth above.

3. The "Aggregate Recognized Gains," which are the amounts by which artificial inflation at the time of a sale exceeds artificial inflation at the time of the related purchase, for each Settlement Class Member will be calculated by accumulating, for each respective purchase and sale transaction for each respective Williams Security, the sum of the Recognized Gains per Williams Security by the respective number of Williams Securities purchased or acquired by the Settlement Class Member during the Settlement Class Period and subsequently sold during the Settlement Class Period.

4. The "Aggregate Recognized Losses," will be calculated by accumulating the sum of each Settlement Class Members' Recognized Claim per Williams Security.

5. Aggregate Recognized Gains shall then be deducted from the "Aggregate Recognized Losses," for each Settlement Class Member to determine the "Aggregate Net Recognized Loss" for the Claimant, which will be your Recognized Claim eligible for distribution from the Net Settlement Fund except as provided below.

6. PLEASE NOTE: To the extent you had a gain from your overall transactions in the Williams Securities during the Class Period, the value of your Recognized Claim will be zero. To the extent that you suffered an overall loss on your overall transactions in Williams Securities during the Class Period, but that loss was less than the total Aggregate Net Recognized Loss calculated pursuant to the provisions above, then your Recognized Claim will be limited to the amount of the overall loss.

7. For purposes of determining whether you had a gain from your overall transactions in Williams Securities during the Settlement Class Period or suffered a loss, the Claims Administrator will: (i) total the amount paid for each Williams Security purchased during the Settlement Class Period by you (the "Total Purchase Amount Per Williams Security"); (ii) match any sales of the respective Williams Security during the Settlement Class Period first against your opening position in the security (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining Williams Security sold during the Settlement Class Period (the "Sales Proceeds Per Williams Security"); and (iv) ascribe a holding value equal to the closing price of each Williams Security on July 22, 2002, times the number of shares, FELINE PACS or August 2001 Notes purchased during the Settlement Class Period and still held at the end of the Class Period ("Holding Value"). The Claims Administrator will then total the Total Purchase Amounts Per Williams Security ("Global Total Purchase Amount") and will also total the sum of the Sales Proceeds and Holding Value Per Williams Security ("Global Sales Proceeds and Holding Values"). The difference between (i) the Global Total Purchase Amount and (ii) the Global Sales Proceeds and Holding Value, will be deemed your gain or loss on your overall transactions in the Williams Securities during the Settlement Class Period.

8. A payment to any Settlement Class Member that would amount to less than \$10.00 in total will not be included in the calculation and will not be distributed.

**Table A**  
**Open Market Purchase or Acquisition of Williams Common Stock**

Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share
7/24/00	\$4.801	10/12/00	\$4.801	1/4/01	\$7.595	3/28/01	\$13.582	6/19/01	\$13.842
7/25/00	\$4.801	10/13/00	\$4.801	1/5/01	\$8.379	3/29/01	\$13.406	6/20/01	\$13.804
7/26/00	\$4.801	10/16/00	\$4.801	1/8/01	\$8.443	3/30/01	\$13.790	6/21/01	\$13.497
7/27/00	\$4.801	10/17/00	\$4.801	1/9/01	\$8.143	4/2/01	\$13.935	6/22/01	\$13.574
7/28/00	\$4.801	10/18/00	\$4.801	1/10/01	\$8.050	4/3/01	\$13.230	6/25/01	\$13.182
7/31/00	\$4.801	10/19/00	\$4.801	1/11/01	\$8.126	4/4/01	\$13.253	6/26/01	\$13.182
8/1/00	\$4.801	10/20/00	\$4.801	1/12/01	\$8.011	4/5/01	\$13.585	6/27/01	\$13.283
8/2/00	\$4.801	10/23/00	\$4.801	1/16/01	\$7.965	4/6/01	\$13.363	6/28/01	\$13.288
8/3/00	\$4.801	10/24/00	\$4.801	1/17/01	\$8.077	4/9/01	\$13.407	6/29/01	\$13.311
8/4/00	\$4.801	10/25/00	\$4.801	1/18/01	\$8.142	4/10/01	\$13.801	7/2/01	\$13.353
8/7/00	\$4.801	10/26/00	\$5.206	1/19/01	\$8.217	4/11/01	\$13.798	7/3/01	\$13.323
8/8/00	\$4.801	10/27/00	\$5.206	1/22/01	\$8.418	4/12/01	\$13.759	7/5/01	\$13.551
8/9/00	\$4.801	10/30/00	\$5.210	1/23/01	\$8.500	4/16/01	\$13.892	7/6/01	\$13.490
8/10/00	\$4.801	10/31/00	\$5.223	1/24/01	\$8.577	4/17/01	\$13.894	7/9/01	\$13.264
8/11/00	\$4.801	11/1/00	\$5.247	1/25/01	\$8.610	4/18/01	\$13.780	7/10/01	\$13.377
8/14/00	\$4.801	11/2/00	\$5.237	1/26/01	\$8.498	4/19/01	\$13.563	7/11/01	\$13.217
8/15/00	\$4.801	11/3/00	\$5.226	1/29/01	\$8.475	4/20/01	\$13.438	7/12/01	\$13.184
8/16/00	\$4.801	11/6/00	\$5.233	1/30/01	\$8.449	4/23/01	\$13.636	7/13/01	\$13.271
8/17/00	\$4.801	11/7/00	\$5.238	1/31/01	\$8.485	4/24/01	\$13.909	7/16/01	\$13.215
8/18/00	\$4.801	11/8/00	\$5.249	2/1/01	\$8.471	4/25/01	\$14.011	7/17/01	\$13.346
8/21/00	\$4.801	11/9/00	\$5.238	2/2/01	\$8.478	4/26/01	\$15.613	7/18/01	\$13.318
8/22/00	\$4.801	11/10/00	\$5.254	2/5/01	\$9.187	4/27/01	\$15.778	7/19/01	\$13.365
8/23/00	\$4.801	11/13/00	\$5.246	2/6/01	\$9.235	4/30/01	\$15.477	7/20/01	\$13.290
8/24/00	\$4.801	11/14/00	\$5.232	2/7/01	\$10.144	5/1/01	\$15.761	7/23/01	\$13.170
8/25/00	\$4.801	11/15/00	\$5.247	2/8/01	\$10.478	5/2/01	\$15.028	7/24/01	\$12.684
8/28/00	\$4.801	11/16/00	\$5.244	2/9/01	\$10.537	5/3/01	\$15.122	7/25/01	\$12.933
8/29/00	\$4.801	11/17/00	\$5.248	2/12/01	\$11.350	5/4/01	\$15.360	7/26/01	\$13.224
8/30/00	\$4.801	11/20/00	\$5.241	2/13/01	\$13.122	5/7/01	\$14.798	7/27/01	\$13.344
8/31/00	\$4.801	11/21/00	\$5.246	2/14/01	\$13.550	5/8/01	\$14.859	7/30/01	\$13.358
9/1/00	\$4.801	11/22/00	\$5.245	2/15/01	\$13.427	5/9/01	\$15.052	7/31/01	\$13.440
9/5/00	\$4.801	11/24/00	\$5.248	2/16/01	\$13.333	5/10/01	\$15.167	8/1/01	\$13.466
9/6/00	\$4.801	11/27/00	\$5.250	2/20/01	\$13.243	5/11/01	\$15.021	8/2/01	\$13.511
9/7/00	\$4.801	11/28/00	\$5.245	2/21/01	\$13.248	5/14/01	\$15.012	8/3/01	\$13.443
9/8/00	\$4.801	11/29/00	\$5.203	2/22/01	\$13.187	5/15/01	\$14.986	8/6/01	\$13.269
9/11/00	\$4.801	11/30/00	\$5.202	2/23/01	\$13.222	5/16/01	\$15.073	8/7/01	\$13.194
9/12/00	\$4.801	12/1/00	\$5.189	2/26/01	\$13.167	5/17/01	\$15.087	8/8/01	\$13.029
9/13/00	\$4.801	12/4/00	\$5.213	2/27/01	\$13.078	5/18/01	\$15.381	8/9/01	\$13.029
9/14/00	\$4.801	12/5/00	\$5.212	2/28/01	\$13.250	5/21/01	\$15.470	8/10/01	\$13.175
9/15/00	\$4.801	12/6/00	\$5.202	3/1/01	\$13.625	5/22/01	\$15.355	8/13/01	\$13.102
9/18/00	\$4.801	12/7/00	\$5.205	3/2/01	\$13.739	5/23/01	\$15.409	8/14/01	\$13.158
9/19/00	\$4.801	12/8/00	\$5.207	3/5/01	\$13.866	5/24/01	\$15.463	8/15/01	\$13.205
9/20/00	\$4.801	12/11/00	\$5.199	3/6/01	\$13.756	5/25/01	\$15.273	8/16/01	\$13.158
9/21/00	\$4.801	12/12/00	\$5.200	3/7/01	\$13.946	5/29/01	\$14.981	8/17/01	\$13.067
9/22/00	\$4.801	12/13/00	\$5.198	3/8/01	\$14.060	5/30/01	\$14.815	8/20/01	\$13.029
9/25/00	\$4.801	12/14/00	\$5.169	3/9/01	\$13.749	5/31/01	\$14.826	8/21/01	\$12.999
9/26/00	\$4.801	12/15/00	\$5.179	3/12/01	\$13.514	6/1/01	\$14.744	8/22/01	\$13.027
9/27/00	\$4.801	12/18/00	\$5.185	3/13/01	\$13.567	6/4/01	\$14.779	8/23/01	\$13.116
9/28/00	\$4.801	12/19/00	\$5.183	3/14/01	\$13.440	6/5/01	\$14.544	8/24/01	\$13.278
9/29/00	\$4.801	12/20/00	\$5.170	3/15/01	\$13.732	6/6/01	\$14.263	8/27/01	\$13.335
10/2/00	\$4.801	12/21/00	\$5.145	3/16/01	\$13.576	6/7/01	\$14.230	8/28/01	\$13.210
10/3/00	\$4.801	12/22/00	\$5.155	3/19/01	\$13.701	6/8/01	\$14.418	8/29/01	\$13.288
10/4/00	\$4.801	12/26/00	\$6.975	3/20/01	\$13.861	6/11/01	\$14.483	8/30/01	\$13.137
10/5/00	\$4.801	12/27/00	\$8.177	3/21/01	\$13.497	6/12/01	\$14.255	8/31/01	\$13.217
10/6/00	\$4.801	12/28/00	\$8.335	3/22/01	\$12.825	6/13/01	\$14.180	9/4/01	\$13.231
10/9/00	\$4.801	12/29/00	\$8.291	3/23/01	\$13.279	6/14/01	\$13.927	9/5/01	\$13.234
10/10/00	\$4.801	1/2/01	\$8.113	3/26/01	\$13.416	6/15/01	\$13.988	9/6/01	\$13.081
10/11/00	\$4.801	1/3/01	\$7.907	3/27/01	\$13.820	6/18/01	\$13.830	9/7/01	\$12.963

**Table A**  
**Open Market Purchase or Acquisition of Williams Common Stock**

Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share
9/10/01	\$12.961	12/5/01	\$12.515	2/28/02	\$6.095	5/21/02	\$5.825
9/17/01	\$12.698	12/6/01	\$12.477	3/1/02	\$6.286	5/22/02	\$6.451
9/18/01	\$12.216	12/7/01	\$12.479	3/4/02	\$6.498	5/23/02	\$6.432
9/19/01	\$11.864	12/10/01	\$12.223	3/5/02	\$8.363	5/24/02	\$6.345
9/20/01	\$11.801	12/11/01	\$11.805	3/6/02	\$8.997	5/28/02	\$6.231
9/21/01	\$11.679	12/12/01	\$11.084	3/7/02	\$10.344	5/29/02	\$5.201
9/24/01	\$11.751	12/13/01	\$11.306	3/8/02	\$10.880	5/30/02	\$4.125
9/25/01	\$11.571	12/14/01	\$11.366	3/11/02	\$10.941	5/31/02	\$4.189
9/26/01	\$11.441	12/17/01	\$10.636	3/12/02	\$10.973	6/3/02	\$2.866
9/27/01	\$11.563	12/18/01	\$10.109	3/13/02	\$10.665	6/4/02	\$3.468
9/28/01	\$11.984	12/19/01	\$11.239	3/14/02	\$10.653	6/5/02	\$2.833
10/1/01	\$11.913	12/20/01	\$11.164	3/15/02	\$10.709	6/6/02	\$2.854
10/2/01	\$12.012	12/21/01	\$11.009	3/18/02	\$10.888	6/7/02	\$2.791
10/3/01	\$12.224	12/24/01	\$10.910	3/19/02	\$10.977	6/10/02	\$2.766
10/4/01	\$12.369	12/26/01	\$11.123	3/20/02	\$11.107	6/11/02	\$2.125
10/5/01	\$12.348	12/27/01	\$11.348	3/21/02	\$11.517	6/12/02	\$2.147
10/8/01	\$12.465	12/28/01	\$11.464	3/22/02	\$11.131	6/13/02	\$2.243
10/9/01	\$12.501	12/31/01	\$11.425	3/25/02	\$11.131	6/14/02	\$2.113
10/10/01	\$12.677	1/2/02	\$11.527	3/26/02	\$11.115	6/17/02	\$2.188
10/11/01	\$12.719	1/3/02	\$11.443	3/27/02	\$11.143	6/18/02	\$2.209
10/12/01	\$12.677	1/4/02	\$11.289	3/28/02	\$11.176	6/19/02	\$2.173
10/15/01	\$12.419	1/7/02	\$11.307	4/1/02	\$11.253	6/20/02	\$2.122
10/16/01	\$12.616	1/8/02	\$11.414	4/2/02	\$11.423	6/21/02	\$2.066
10/17/01	\$12.322	1/9/02	\$11.443	4/3/02	\$10.534	6/24/02	\$1.766
10/18/01	\$12.043	1/10/02	\$11.412	4/4/02	\$10.481	6/25/02	\$1.500
10/19/01	\$12.254	1/11/02	\$11.421	4/5/02	\$10.250	6/26/02	\$1.471
10/22/01	\$12.327	1/14/02	\$11.339	4/8/02	\$10.270	6/27/02	\$1.285
10/23/01	\$12.160	1/15/02	\$11.243	4/9/02	\$10.055	6/28/02	\$1.617
10/24/01	\$11.655	1/16/02	\$11.084	4/10/02	\$10.091	7/1/02	\$1.505
10/25/01	\$12.429	1/17/02	\$11.053	4/11/02	\$9.925	7/2/02	\$1.154
10/26/01	\$12.530	1/18/02	\$11.153	4/12/02	\$9.710	7/3/02	\$1.286
10/29/01	\$12.616	1/22/02	\$10.941	4/15/02	\$9.820	7/5/02	\$1.294
10/30/01	\$12.745	1/23/02	\$11.125	4/16/02	\$10.209	7/8/02	\$1.277
10/31/01	\$12.750	1/24/02	\$11.343	4/17/02	\$10.647	7/9/02	\$1.195
11/1/01	\$12.862	1/25/02	\$11.255	4/18/02	\$10.603	7/10/02	\$1.205
11/2/01	\$12.730	1/28/02	\$11.112	4/19/02	\$10.643	7/11/02	\$1.338
11/5/01	\$12.786	1/29/02	\$8.548	4/22/02	\$10.623	7/12/02	\$1.352
11/6/01	\$12.786	1/30/02	\$8.329	4/23/02	\$10.582	7/15/02	\$1.398
11/7/01	\$12.783	1/31/02	\$8.072	4/24/02	\$10.197	7/16/02	\$1.498
11/8/01	\$12.923	2/1/02	\$8.918	4/25/02	\$9.699	7/17/02	\$1.674
11/9/01	\$12.986	2/4/02	\$7.384	4/26/02	\$8.842	7/18/02	\$1.695
11/12/01	\$12.920	2/5/02	\$6.254	4/29/02	\$7.498	7/19/02	\$1.375
11/13/01	\$13.085	2/6/02	\$6.346	4/30/02	\$7.685	7/22/02	\$0.000
11/14/01	\$12.778	2/7/02	\$6.459	5/1/02	\$7.769		
11/15/01	\$12.608	2/8/02	\$6.407	5/2/02	\$7.586		
11/16/01	\$12.669	2/11/02	\$6.637	5/3/02	\$7.734		
11/19/01	\$12.641	2/12/02	\$6.808	5/6/02	\$7.460		
11/20/01	\$12.849	2/13/02	\$6.860	5/7/02	\$6.846		
11/21/01	\$12.467	2/14/02	\$6.871	5/8/02	\$7.170		
11/23/01	\$12.593	2/15/02	\$6.857	5/9/02	\$7.075		
11/26/01	\$12.593	2/19/02	\$6.886	5/10/02	\$6.461		
11/27/01	\$12.745	2/20/02	\$6.713	5/13/02	\$5.872		
11/28/01	\$12.289	2/21/02	\$6.753	5/14/02	\$6.172		
11/29/01	\$12.277	2/22/02	\$6.764	5/15/02	\$5.645		
11/30/01	\$12.206	2/25/02	\$5.152	5/16/02	\$5.719		
12/3/01	\$12.140	2/26/02	\$6.451	5/17/02	\$5.565		
12/4/01	\$12.350	2/27/02	\$6.399	5/20/02	\$5.825		

**Table B**  
**January 2001 Common Stock Offering**

Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share
Prior to		2/20/02	\$6.64	4/30/02	\$7.76	7/9/02	\$0.02
12/11/01	\$12.99	2/21/02	\$6.86	5/1/02	\$7.84	7/10/02	\$0.58
12/11/01	\$11.45	2/22/02	\$6.68	5/2/02	\$7.67	7/11/02	\$0.74
12/12/01	\$10.75	2/25/02	\$4.94	5/3/02	\$8.04	7/12/02	\$1.11
12/13/01	\$10.99	2/26/02	\$6.24	5/6/02	\$7.79	7/15/02	\$1.24
12/14/01	\$11.09	2/27/02	\$6.25	5/7/02	\$6.78	7/16/02	\$1.48
12/17/01	\$10.27	2/28/02	\$6.13	5/8/02	\$6.99	7/17/02	\$1.77
12/18/01	\$9.53	3/1/02	\$6.07	5/9/02	\$6.98	7/18/02	\$2.07
12/19/01	\$10.52	3/4/02	\$6.39	5/10/02	\$6.39	7/19/02	\$1.98
12/20/01	\$10.39	3/5/02	\$8.29	5/13/02	\$5.41	7/22/02	\$0.00
12/21/01	\$10.06	3/6/02	\$8.47	5/14/02	\$5.68		
12/24/01	\$9.77	3/7/02	\$9.26	5/15/02	\$5.17		
12/26/01	\$10.07	3/8/02	\$9.75	5/16/02	\$5.49		
12/27/01	\$10.47	3/11/02	\$9.67	5/17/02	\$5.20		
12/28/01	\$10.66	3/12/02	\$9.75	5/20/02	\$5.67		
12/31/01	\$10.72	3/13/02	\$9.59	5/21/02	\$5.73		
1/2/02	\$10.80	3/14/02	\$9.44	5/22/02	\$6.63		
1/3/02	\$10.63	3/15/02	\$9.38	5/23/02	\$6.48		
1/4/02	\$10.25	3/18/02	\$9.53	5/24/02	\$6.43		
1/7/02	\$10.29	3/19/02	\$9.62	5/28/02	\$6.29		
1/8/02	\$10.65	3/20/02	\$9.94	5/29/02	\$5.14		
1/9/02	\$10.79	3/21/02	\$10.38	5/30/02	\$4.00		
1/10/02	\$10.66	3/22/02	\$9.93	5/31/02	\$4.15		
1/11/02	\$10.86	3/25/02	\$10.10	6/3/02	\$2.43		
1/14/02	\$10.76	3/26/02	\$10.06	6/4/02	\$2.74		
1/15/02	\$10.35	3/27/02	\$9.92	6/5/02	\$1.48		
1/16/02	\$10.19	3/28/02	\$9.92	6/6/02	\$1.78		
1/17/02	\$10.07	4/1/02	\$9.92	6/7/02	\$1.64		
1/18/02	\$10.49	4/2/02	\$10.09	6/10/02	\$1.56		
1/22/02	\$10.26	4/3/02	\$9.76	6/11/02	\$0.95		
1/23/02	\$10.54	4/4/02	\$9.70	6/12/02	\$0.86		
1/24/02	\$10.95	4/5/02	\$9.42	6/13/02	\$1.14		
1/25/02	\$10.88	4/8/02	\$9.23	6/14/02	\$0.84		
1/28/02	\$10.64	4/9/02	\$9.03	6/17/02	\$0.55		
1/29/02	\$8.52	4/10/02	\$8.83	6/18/02	\$0.58		
1/30/02	\$7.83	4/11/02	\$8.96	6/19/02	\$0.76		
1/31/02	\$7.56	4/12/02	\$8.66	6/20/02	\$0.81		
2/1/02	\$8.21	4/15/02	\$8.87	6/21/02	\$0.76		
2/4/02	\$6.94	4/16/02	\$9.08	6/24/02	\$0.35		
2/5/02	\$5.59	4/17/02	\$9.53	6/25/02	\$0.06		
2/6/02	\$5.92	4/18/02	\$9.41	6/26/02	\$0.01		
2/7/02	\$6.30	4/19/02	\$9.37	6/27/02	\$0.00		
2/8/02	\$5.98	4/22/02	\$9.46	6/28/02	\$0.06		
2/11/02	\$6.28	4/23/02	\$9.53	7/1/02	\$0.06		
2/12/02	\$6.68	4/24/02	\$9.21	7/2/02	\$0.00		
2/13/02	\$6.63	4/25/02	\$8.91	7/3/02	\$0.13		
2/14/02	\$6.70	4/26/02	\$8.45	7/5/02	\$0.00		
2/15/02	\$6.81	4/29/02	\$7.52	7/8/02	\$0.00		
2/19/02	\$7.10						

**Table C**  
**Williams Common Stock Issued In Exchange For Barrett Resources Shares**

Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share	Date	Inflation Per Share
Prior to		12/3/01	\$13.72	2/22/02	\$6.28	5/13/02	\$4.96
9/18/01	\$16.73	12/4/01	\$13.98	2/25/02	\$4.52	5/14/02	\$5.20
9/18/01	\$15.21	12/5/01	\$14.11	2/26/02	\$5.82	5/15/02	\$4.70
9/19/01	\$14.79	12/6/01	\$14.17	2/27/02	\$5.83	5/16/02	\$5.04
9/20/01	\$15.03	12/7/01	\$14.04	2/28/02	\$5.76	5/17/02	\$4.75
9/21/01	\$14.97	12/10/01	\$13.73	3/1/02	\$5.65	5/20/02	\$5.22
9/24/01	\$14.91	12/11/01	\$12.89	3/4/02	\$5.96	5/21/02	\$5.28
9/25/01	\$14.30	12/12/01	\$11.82	3/5/02	\$7.99	5/22/02	\$6.16
9/26/01	\$14.34	12/13/01	\$12.19	3/6/02	\$8.44	5/23/02	\$5.99
9/27/01	\$14.51	12/14/01	\$12.31	3/7/02	\$9.89	5/24/02	\$5.96
9/28/01	\$15.08	12/17/01	\$11.11	3/8/02	\$10.66	5/28/02	\$5.82
10/1/01	\$14.94	12/18/01	\$10.08	3/11/02	\$10.60	5/29/02	\$4.70
10/2/01	\$14.98	12/19/01	\$11.60	3/12/02	\$10.70	5/30/02	\$3.57
10/3/01	\$15.21	12/20/01	\$11.43	3/13/02	\$10.39	5/31/02	\$3.72
10/4/01	\$15.42	12/21/01	\$11.03	3/14/02	\$10.23	6/3/02	\$2.07
10/5/01	\$15.38	12/24/01	\$10.68	3/15/02	\$10.18	6/4/02	\$2.36
10/8/01	\$15.79	12/26/01	\$11.07	3/18/02	\$10.41	6/5/02	\$1.10
10/9/01	\$16.17	12/27/01	\$11.58	3/19/02	\$10.55	6/6/02	\$1.44
10/10/01	\$16.01	12/28/01	\$11.82	3/20/02	\$10.95	6/7/02	\$1.30
10/11/01	\$15.91	12/31/01	\$11.87	3/21/02	\$11.59	6/10/02	\$1.22
10/12/01	\$16.11	1/2/02	\$11.99	3/22/02	\$10.94	6/11/02	\$0.64
10/15/01	\$15.36	1/3/02	\$11.78	3/25/02	\$11.13	6/12/02	\$0.53
10/16/01	\$15.60	1/4/02	\$11.32	3/26/02	\$11.08	6/13/02	\$0.83
10/17/01	\$15.13	1/7/02	\$11.36	3/27/02	\$10.94	6/14/02	\$0.52
10/18/01	\$14.65	1/8/02	\$11.78	3/28/02	\$10.95	6/17/02	\$0.19
10/19/01	\$14.98	1/9/02	\$11.95	4/1/02	\$10.98	6/18/02	\$0.22
10/22/01	\$14.97	1/10/02	\$11.80	4/2/02	\$11.23	6/19/02	\$0.42
10/23/01	\$14.83	1/11/02	\$12.02	4/3/02	\$10.48	6/20/02	\$0.49
10/24/01	\$13.63	1/14/02	\$11.89	4/4/02	\$10.40	6/21/02	\$0.45
10/25/01	\$14.63	1/15/02	\$11.41	4/5/02	\$9.99	6/24/02	\$0.04
10/26/01	\$14.82	1/16/02	\$11.19	4/8/02	\$9.79	6/25/02	\$0.00
10/29/01	\$15.23	1/17/02	\$11.05	4/9/02	\$9.50	6/26/02	\$0.00
10/30/01	\$15.94	1/18/02	\$11.55	4/10/02	\$9.29	6/27/02	\$0.00
10/31/01	\$15.84	1/22/02	\$11.22	4/11/02	\$9.37	6/28/02	\$0.00
11/1/01	\$15.79	1/23/02	\$11.58	4/12/02	\$8.96	7/1/02	\$0.00
11/2/01	\$15.53	1/24/02	\$12.10	4/15/02	\$9.23	7/2/02	\$0.00
11/5/01	\$15.42	1/25/02	\$12.00	4/16/02	\$9.60	7/3/02	\$0.00
11/6/01	\$15.21	1/28/02	\$11.69	4/17/02	\$10.27	7/5/02	\$0.00
11/7/01	\$15.22	1/29/02	\$8.35	4/18/02	\$10.12	7/8/02	\$0.00
11/8/01	\$15.32	1/30/02	\$7.53	4/19/02	\$10.09	7/9/02	\$0.00
11/9/01	\$15.52	1/31/02	\$7.11	4/22/02	\$10.18	7/10/02	\$0.40
11/12/01	\$15.45	2/1/02	\$8.19	4/23/02	\$10.24	7/11/02	\$0.54
11/13/01	\$15.66	2/4/02	\$6.54	4/24/02	\$9.75	7/12/02	\$0.95
11/14/01	\$15.14	2/5/02	\$5.20	4/25/02	\$9.21	7/15/02	\$1.08
11/15/01	\$15.09	2/6/02	\$5.54	4/26/02	\$8.35	7/16/02	\$1.34
11/16/01	\$15.07	2/7/02	\$5.93	4/29/02	\$7.05	7/17/02	\$1.63
11/19/01	\$14.96	2/8/02	\$5.59	4/30/02	\$7.28	7/18/02	\$1.96
11/20/01	\$15.37	2/11/02	\$5.87	5/1/02	\$7.34	7/19/02	\$1.93
11/21/01	\$14.48	2/12/02	\$6.27	5/2/02	\$7.19	7/22/02	\$0.00
11/23/01	\$14.54	2/13/02	\$6.20	5/3/02	\$7.57		
11/26/01	\$14.55	2/14/02	\$6.27	5/6/02	\$7.34		
11/27/01	\$14.89	2/15/02	\$6.40	5/7/02	\$6.35		
11/28/01	\$14.20	2/19/02	\$6.71	5/8/02	\$6.51		
11/29/01	\$13.92	2/20/02	\$6.25	5/9/02	\$6.52		
11/30/01	\$13.86	2/21/02	\$6.48	5/10/02	\$5.96		

**Table D**  
**Williams August 2001 Notes**

Date	Adjustment Factor	
	2011 Notes	2021 Notes
8/20/01	0	0
8/21/01	0	0
8/22/01	0	0
8/23/01	0	0
8/24/01	0	0
8/27/01	0	0
8/28/01	0	0
8/29/01	0	0
8/30/01	0	0
8/31/01	0	0
9/4/01	0.08	0
9/5/01	0.53	0.07
9/6/01	0.26	0
9/7/01	0.39	0
9/10/01	0.43	0.19
9/17/01	0.67	1.61
9/18/01	2.28	3.30
9/19/01	4.13	5.02
9/20/01	5.56	6.26
9/21/01	5.68	6.36
9/24/01	5.87	6.18
9/25/01	6.13	6.27
9/26/01	7.72	7.32
9/27/01	7.24	6.94
9/28/01	5.54	5.14
10/1/01	5.61	5.04
10/2/01	4.75	4.16
10/3/01	3.84	3.24
10/4/01	2.78	2.20
10/5/01	2.97	2.37
10/8/01	2.80	2.30
10/9/01	3.43	3.20
10/10/01	1.91	1.76
10/11/01	1.93	2.01
10/12/01	2.77	2.82
10/15/01	2.49	2.49
10/16/01	1.28	1.27
10/17/01	1.90	1.66
10/18/01	2.44	2.07
10/19/01	1.71	1.56
10/22/01	1.32	1.19
10/23/01	2.72	2.52
10/24/01	2.94	2.94
10/25/01	2.35	2.39
10/26/01	2.17	2.29
10/29/01	1.99	2.07
10/30/01	3.46	3.53
10/31/01	2.41	1.98
11/1/01	1.53	0.84
11/2/01	2.58	2.33
11/5/01	1.70	1.05
11/6/01	1.06	0.51
11/7/01	0.48	0
11/8/01	0	0
11/9/01	0.07	0
11/12/01	0.48	0
11/13/01	0.60	0
11/14/01	2.33	1.73
11/15/01	4.90	4.23

Date	Adjustment Factor	
	2011 Notes	2021 Notes
11/16/01	4.50	4.05
11/19/01	3.92	3.01
11/20/01	3.70	3.07
11/21/01	3.83	3.31
11/23/01	3.30	2.88
11/26/01	3.56	3.08
11/27/01	2.74	2.40
11/28/01	4.30	3.90
11/29/01	2.56	2.12
11/30/01	3.40	3.15
12/3/01	3.06	2.86
12/4/01	1.95	1.66
12/5/01	2.67	2.53
12/6/01	3.74	3.53
12/7/01	3.67	3.92
12/10/01	4.42	4.60
12/11/01	4.75	5.00
12/12/01	4.06	4.09
12/13/01	4.36	4.39
12/14/01	4.67	4.79
12/17/01	4.51	4.88
12/18/01	2.65	2.88
12/19/01	0.89	0.96
12/20/01	0.62	0.53
12/21/01	0.91	0.82
12/24/01	0.77	0.76
12/26/01	0.11	0
12/27/01	0	0
12/28/01	0	0
12/31/01	0	0
1/2/02	0	0
1/3/02	0	0
1/4/02	0	0
1/7/02	0	0
1/8/02	0	0
1/9/02	0	0
1/10/02	0	0
1/11/02	0	0
1/14/02	0	0
1/15/02	0	0
1/16/02	0	0
1/17/02	0	0
1/18/02	0	0
1/22/02	0.60	0.26
1/23/02	0.82	0.75
1/24/02	0.63	0.35
1/25/02	1.58	1.03
1/28/02	2.00	1.36
1/29/02	3.28	2.56
1/30/02	2.36	2.30
1/31/02	2.95	2.58
2/1/02	2.34	1.98
2/4/02	3.37	3.01
2/5/02	4.10	3.88
2/6/02	4.65	4.48
2/7/02	5.98	5.72
2/8/02	5.22	4.87
2/11/02	4.86	4.61
2/12/02	5.08	4.85

Date	Adjustment Factor	
	2011 Notes	2021 Notes
2/13/02	4.77	4.49
2/14/02	4.55	4.08
2/15/02	4.40	3.96
2/19/02	5.00	4.67
2/20/02	5.29	4.91
2/21/02	5.48	5.07
2/22/02	4.43	4.03
2/25/02	4.22	3.89
2/26/02	4.09	3.91
2/27/02	3.96	3.61
2/28/02	6.41	5.71
3/1/02	5.57	5.14
3/4/02	6.07	5.44
3/5/02	5.03	4.46
3/6/02	3.62	3.31
3/7/02	3.24	3.15
3/8/02	4.66	4.48
3/11/02	4.02	3.99
3/12/02	4.09	4.19
3/13/02	4.18	4.44
3/14/02	3.95	4.42
3/15/02	3.55	3.92
3/18/02	3.03	3.31
3/19/02	3.24	3.57
3/20/02	3.81	4.21
3/21/02	3.57	3.72
3/22/02	3.59	3.74
3/25/02	3.93	4.02
3/26/02	3.77	3.91
3/27/02	3.07	3.23
3/28/02	3.21	3.39
4/1/02	2.69	2.98
4/2/02	1.75	2.04
4/3/02	2.16	2.33
4/4/02	2.27	2.34
4/5/02	1.82	1.93
4/8/02	0.91	1.29
4/9/02	0.85	1.24
4/10/02	0.22	0.75
4/11/02	0.95	1.52
4/12/02	0.85	1.42
4/15/02	0.69	1.33
4/16/02	0.37	1.06
4/17/02	0.11	0.98
4/18/02	0	0.29
4/19/02	0	0
4/22/02	0	0
4/23/02	0	0.29
4/24/02	0	0
4/25/02	0	0.58
4/26/02	0.37	1.24
4/29/02	0.99	1.95
4/30/02	1.48	2.20
5/1/02	1.39	2.13
5/2/02	2.58	3.26
5/3/02	2.41	3.01
5/6/02	2.92	3.45
5/7/02	5.40	6.99
5/8/02	5.60	7.25

**Table D**  
**Williams August 2001 Notes**

Date	Adjustment Factor	
	2011 Notes	2021 Notes
5/9/02	5.61	7.37
5/10/02	5.99	7.75
5/13/02	8.37	10.10
5/14/02	8.23	10.07
5/15/02	8.73	10.54
5/16/02	9.40	11.23
5/17/02	10.06	11.93
5/20/02	9.28	11.11
5/21/02	8.89	10.66
5/22/02	1.26	10.44
5/23/02	1.00	10.21
5/24/02	0.99	10.22
5/28/02	0.86	10.00
5/29/02	1.33	10.33
5/30/02	1.52	10.45
5/31/02	1.84	10.94
6/3/02	5.02	13.88
6/4/02	4.22	13.21
6/5/02	4.33	16.09
6/6/02	5.56	17.13
6/7/02	5.82	17.50
6/10/02	5.82	17.38
6/11/02	6.49	17.71
6/12/02	6.37	17.53
6/13/02	6.61	17.71
6/14/02	5.91	17.12
6/17/02	4.82	16.37
6/18/02	4.75	16.27
6/19/02	5.01	16.35
6/20/02	6.23	17.62
6/21/02	5.90	17.26
6/24/02	7.14	17.88
6/25/02	7.13	17.88
6/26/02	10.10	17.44
6/27/02	11.37	18.94
6/28/02	11.69	19.23
7/1/02	12.14	19.65
7/2/02	13.25	20.69
7/3/02	12.45	20.30
7/5/02	12.10	20.13
7/8/02	11.84	19.88
7/9/02	12.40	20.32
7/10/02	13.62	21.45
7/11/02	13.75	21.64
7/12/02	14.77	22.63
7/15/02	15.20	23.02
7/16/02	15.54	23.75
7/17/02	13.26	21.37
7/18/02	16.01	26.10
7/19/02	18.82	28.44
7/22/02	21.44	30.59
7/23/02	24.54	33.33
7/24/02	23.61	32.46
7/25/02	23.54	33.11
7/26/02	18.87	32.07
7/29/02	17.35	30.96
7/30/02	13.94	27.45
7/31/02	13.67	27.43
8/1/02	12.35	26.53

Date	Adjustment Factor	
	2011 Notes	2021 Notes
8/2/02	13.04	27.07
8/5/02	14.46	28.45
8/6/02	14.35	28.27
8/7/02	13.02	27.05
8/8/02	13.21	27.14
8/9/02	12.08	26.21
8/12/02	11.88	25.85
8/13/02	12.47	26.17
8/14/02	10.55	24.29
8/15/02	9.80	24.29
8/16/02	10.41	25.06
8/19/02	9.54	24.07
8/20/02	9.72	24.14
8/21/02	8.23	22.91
8/22/02	6.75	21.93
8/23/02	7.02	21.96
8/26/02	5.98	21.05
8/27/02	6.21	21.40
8/28/02	4.83	21.40
8/29/02	5.33	21.84
8/30/02	5.33	21.84
9/3/02	6.03	22.37
9/4/02	5.59	22.03
9/5/02	6.32	22.55
9/6/02	5.68	22.29
9/9/02	6.33	22.77
9/10/02	6.33	22.88
9/11/02	6.18	22.89
9/12/02	7.20	23.55
9/13/02	5.86	22.41
9/16/02	6.20	22.71
9/17/02	6.86	22.71
9/18/02	8.16	25.08
9/19/02	9.25	25.99
9/20/02	9.88	26.62
9/23/02	10.18	26.88
9/24/02	10.80	27.34
9/25/02	10.13	27.02
9/26/02	9.84	26.76
9/27/02	10.67	27.42
9/30/02	11.13	28.03
10/1/02	10.35	27.45
10/2/02	7.42	24.21
10/3/02	7.89	24.66
10/4/02	9.64	26.04
10/7/02	9.95	26.29
10/8/02	10.74	27.17
10/9/02	12.85	29.04
10/10/02	12.99	29.06
10/11/02	12.72	28.88
10/14/02	12.65	28.87
10/15/02	11.90	28.47
10/16/02	13.27	29.67
10/17/02	12.00	28.75
10/18/02	11.86	28.55
10/21/02	9.95	27.10
10/22/02	11.14	28.00
10/23/02	10.08	27.26
10/24/02	10.02	27.03

Date	Adjustment Factor	
	2011 Notes	2021 Notes
10/25/02	9.41	26.55
10/28/02	9.13	26.28
10/29/02	9.13	26.12
10/30/02	7.04	24.44
10/31/02	6.76	24.13
11/1/02	6.43	23.86
11/4/02	6.04	23.37
11/5/02	5.90	23.32
11/6/02	5.56	22.99
11/7/02	4.73	22.12
11/8/02	4.99	22.11
11/11/02	5.81	22.83
11/12/02	6.38	23.31
11/13/02	6.27	23.14
11/14/02	5.97	23.18
11/15/02	5.03	22.31
11/18/02	4.77	22.02
11/19/02	4.61	21.82
11/20/02	4.58	21.88
11/21/02	3.18	20.78
11/22/02	2.57	20.25
11/25/02	1.98	19.95
11/26/02	2.53	20.29
11/27/02	2.60	20.54
11/29/02	2.27	20.11
12/2/02	2.35	20.13
12/3/02	1.95	19.86
12/4/02	2.10	20.03
12/5/02	1.82	19.83
12/6/02	1.69	19.82
12/9/02	1.92	19.89
12/10/02	1.30	19.35
12/11/02	0.00	18.26
12/12/02	0	18.13
12/13/02	0	18.05
12/16/02	0	17.83
12/17/02	0	17.75
12/18/02	0	17.90
12/19/02	0	17.26
12/20/02	0	16.94
12/23/02	0	16.93
12/24/02	0	16.76
12/26/02	0	16.65
12/27/02	0	16.65
12/30/02	0	16.28
12/31/02	0	16.45
1/2/03	0	16.58
1/3/03	0	16.30
1/6/03	0	15.03
1/7/03	0	15.67
1/8/03	0	15.26
1/9/03	0	15.33
1/10/03	0	15.41
1/13/03	0	16.04
1/14/03	0	15.88
1/15/03	0	15.92
1/16/03	0	15.61
1/17/03	0	15.84
1/21/03	0	16.12



**Table D**  
**Williams August 2001 Notes**

Date	Adjustment Factor	
	2011 Notes	2021 Notes

1/22/03	0	16.18
1/23/03	0	16.08
1/24/03	0	16.36
1/27/03	0	17.63
1/28/03	0	16.46
1/29/03	0	16.89
1/30/03	0	16.89
1/31/03	0	16.48
2/3/03	0	15.82
2/4/03	0	15.78
2/5/03	0	16.61
2/6/03	0	16.26
2/7/03	0	16.92
2/10/03	0	17.03
2/11/03	0	17.53
2/12/03	0	18.29
2/13/03	0	18.12
2/14/03	0	17.88
2/18/03	0	17.35
2/19/03	0	16.91
2/20/03	0	16.54
2/21/03	0	16.52
2/24/03	0	16.38
2/25/03	0	16.27
2/26/03	0	16.27
2/27/03	0	16.17
2/28/03	0	15.62
3/3/03	0	15.36
3/4/03	0	15.26
3/5/03	0	15.18
3/6/03	0	15.30
3/7/03	0	15.01
3/10/03	0	15.56
3/11/03	0	15.72
3/12/03	0	15.38
3/13/03	0	15.98
3/14/03	0	15.85
3/17/03	0	15.59
3/18/03	0	15.77
3/19/03	0	16.12
3/20/03	0	15.33
3/21/03	0	15.21
3/24/03	0	15.48
3/25/03	0	14.98
3/26/03	0	15.18
3/27/03	0	14.31
3/28/03	0	14.18
3/31/03	0	13.81
4/1/03	0	13.56
4/2/03	0	13.50
4/3/03	0	13.58
4/4/03	0	13.54
4/7/03	0	13.81
4/8/03	0	13.41
4/9/03	0	13.61
4/10/03	0	13.46
4/11/03	0	13.58
4/14/03	0	13.41
4/15/03	0	12.76

Date	Adjustment Factor	
	2011 Notes	2021 Notes

4/16/03	0	12.45
4/17/03	0	11.29
4/21/03	0	11.01
4/22/03	0	10.28

**Table E**  
**Williams FELINE PACS**

Date	Inflation Per FELINE PAC
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Prior to	
1/29/02	\$8.31
1/29/02	\$4.93
1/30/02	\$4.38
1/31/02	\$4.69
2/1/02	\$6.15
2/4/02	\$3.64
2/5/02	\$2.28
2/6/02	\$2.50
2/7/02	\$2.74
2/8/02	\$3.06
2/11/02	\$3.60
2/12/02	\$4.06
2/13/02	\$4.21
2/14/02	\$4.18
2/15/02	\$4.22
2/19/02	\$4.30
2/20/02	\$3.36
2/21/02	\$3.61
2/22/02	\$3.57
2/25/02	\$2.22
2/26/02	\$3.05
2/27/02	\$3.27
2/28/02	\$3.17
3/1/02	\$3.31
3/4/02	\$3.73
3/5/02	\$5.57
3/6/02	\$6.38
3/7/02	\$7.26
3/8/02	\$7.66
3/11/02	\$7.81
3/12/02	\$7.96
3/13/02	\$7.72
3/14/02	\$7.71
3/15/02	\$7.86
3/18/02	\$8.11
3/19/02	\$8.31
3/20/02	\$8.31
3/21/02	\$8.31
3/22/02	\$8.31
3/25/02	\$8.31
3/26/02	\$8.31
3/27/02	\$8.31
3/28/02	\$8.31
4/1/02	\$8.31
4/2/02	\$8.31
4/3/02	\$8.31
4/4/02	\$8.31
4/5/02	\$8.11
4/8/02	\$8.30
4/9/02	\$8.01
4/10/02	\$7.91
4/11/02	\$7.82
4/12/02	\$7.36
4/15/02	\$7.62
4/16/02	\$8.31

Date	Inflation Per FELINE PAC
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4/17/02	\$8.31
4/18/02	\$8.31
4/19/02	\$8.31
4/22/02	\$8.31
4/23/02	\$8.31
4/24/02	\$8.31
4/25/02	\$8.07
4/26/02	\$7.26
4/29/02	\$6.77
4/30/02	\$7.36
5/1/02	\$7.62
5/2/02	\$7.39
5/3/02	\$7.86
5/6/02	\$7.33
5/7/02	\$7.16
5/8/02	\$7.18
5/9/02	\$7.51
5/10/02	\$6.20
5/13/02	\$5.71
5/14/02	\$6.27
5/15/02	\$5.46
5/16/02	\$5.86
5/17/02	\$5.53
5/20/02	\$6.09
5/21/02	\$6.03
5/22/02	\$5.90
5/23/02	\$5.17
5/24/02	\$5.36
5/28/02	\$5.28
5/29/02	\$3.79
5/30/02	\$2.43
5/31/02	\$3.18
6/3/02	\$2.47
6/4/02	\$2.50
6/5/02	\$3.22
6/6/02	\$3.72
6/7/02	\$3.97
6/10/02	\$4.48
6/11/02	\$3.29
6/12/02	\$3.04
6/13/02	\$3.50
6/14/02	\$3.37
6/17/02	\$3.48
6/18/02	\$3.83
6/19/02	\$4.13
6/20/02	\$3.92
6/21/02	\$3.92
6/24/02	\$3.92
6/25/02	\$3.66
6/26/02	\$3.77
6/27/02	\$3.63
6/28/02	\$4.15
7/1/02	\$4.22
7/2/02	\$3.81
7/3/02	\$3.93
7/5/02	\$3.84

Date	Inflation Per FELINE PAC
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7/8/02	\$3.74
7/9/02	\$3.71
7/10/02	\$4.23
7/11/02	\$4.42
7/12/02	\$5.09
7/15/02	\$5.08
7/16/02	\$5.30
7/17/02	\$5.49
7/18/02	\$5.43
7/19/02	\$4.77
7/22/02	\$1.49
7/23/02	\$0.00