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<<John Rogers, Analyst, D. A. Davidson & Co.>>

We're going to get started. We have Willbros. We have Mike Fournier here to give the presentation. So, I'm going to turn over to you.

<<Michael J. Fournier, President, Chief Executive Officer and Chief Operating Officer>>

Okay, Thanks. You all get credit for hanging in for the second to last presentation of the conference. So, Willbros Group, those of you who are new looking at Willbros accordingly have a big footprint. So, I said alright, I think we're going to have to go through some slides, otherwise, so moving forward to more discussion. That is my strength as the slide shows is that, better discussion, so I'm going to go through these very quick, throw your hands up, small group [indiscernible] (0:00:49.)

So forward looking statements, all of you have seen that one before. That one – the market size, this is the one we're going to bounce around all over the place, probably day-to-day, price volatility and share price over the last 12 months but where we sit today is not too far off of $1.95 and $122 million.

Client base is – these are generally oil and gas client based here both in U.S. and Canada, heavily weighted on the natural gas side with a little bit of oil.

Operating segments we bring company out to the street, segments two of which are Oil & Gas type business and we call them Oil & Gas, that our U.S. Oil & Gas business, it's focused on pipeline construction, pipeline integrity work, pipeline facilities work and then the second business unit that we call Tanks and Balance of Plant.

Okay. So, Oil & Gas as we talked about broken up in two categories, pipeline construction associated and tank associated. Canada is a bit more diverse. Again they have pipeline construction, more focused on pipeline integrity up in Canada as well as up in the oil sands what we call pipeline maintenance which is generally maintenance on the Hydro-transport and Tailings type pipelines in the mines up there.

In addition to that, we have a presence in the – I call it mechanical/electrical space industrial mechanical electro associated with both the oil sands as well as the pipeline space.

Then, the third segment which is probably about 60% of our business these days, it's U.S.-based and it's the T&D space. It's not the large transmission project space. We're doing kind of the fill-in transmission work and distribution. And on the distribution side, that's predominantly electrical, but we do a bit of natural gas distribution in urban areas.

So, the story behind Willbros is kind of contraction of Willbros, the cleanup of Willbros over the last two, three years. So, this is adjusted revenue, adjustment in large part for taking out the businesses that we have discontinued and/or sold and trying to get to apples-to-apples comparison looking back to 2014 on the revenue trend and the impact of downsizing the Oil & Gas business in some cases conscious decisions to exit various regions and model of doing work, we refer to in the past as the regional model and the focus on our core competency of pipeline construction, facility construction, but you also see the impact in 2015 certainly when you look at Canada for example where we didn't do anything with the business in terms of operation capabilities, just reacting to the shrinkage in the market outlook. So from Canada, $400 million in 2014 to $232 million in 2015 and an even further contraction in 2016.

UTD is modest growth through 2014 and certainly continues to be our area of kind of controlled growth. Lots of discussion at our last Analyst Call on backlog and what we've tried to portray here is, the backlog as a percentage of our annual revenue and the messaging being that, you know as a percentage basis, we're kind of where we expect to be at this time of the year relative to our 12 month backlog trend which generally sits in the neighborhood of 40% or 50%.

So in the recent past we've attended a number of these conferences where we've kind of talked through and explained taking our debt down and fixing our balance sheet, ensuring we've got the liquidity to operate throughout all of this. We maintain almost any contractor you talk to at these sessions, we'll talk about the significance of safety in terms of – that's kind of the ticket to entry into all of these spaces, and maintain industry-leading performance on all of our segments on the safety side throughout this.

Focus on the growth of UTD. We call it controlled growth, the 10% -- we try for 10%, 15% as our goal there and a lot of effort in the Oil & Gas space to make sure that we've booked the right work and not get overly aggressively at just to trying build backlog for the sake of the number, it's about, trying to build some quality backlog. And a lot of effort over the last year and half to reduce corporate G&A and I think on an annual run rate we've cut that in half over the last 12 months.

Current focus in large part, it is about backlog. If you followed Willbros in the past, there is lots of volatility around project performance itself. We've kind of taken all that noise out by either selling the businesses that were causing that issue or – and contracting to our kind of key core strengths and we're tweaking operating performance. I don't think I would sit here today and say there's any major improvements in performance that we see coming out of the operations at the project level, the issue is the volume of projects that we're doing today, and balancing our capacity and core capabilities and presence in the markets we want to be with the volume that's available and that we can execute.

We characterize that as positioning in terms of the Oil & Gas and Canada. We're carrying capacity today in excess of what we're utilizing, and T&D, that's kind of the reverse. We're limiting the growth to ensure that we don't overstep our ability to actually staff projects. We remain focused on our liquidity, and ultimately becoming profitable.

The market opportunities, these probably don't vary a lot from what you've seen the rest of the workshop. The T&D, electrical space has remained strong. We are starting to see opportunities in renewables. So, that's wind and solar, and particularly in Texas there is a wave of those opportunities. They generally range in the $20 million to $30 million contract value for the electrical side of those projects and a numbers of those out there today.

Oil & Gas, our current base business is very much focused on and we refer to it as integrity digs, and it's a bit of that and it's a lot of small cap pipeline maintenance, metering-type construction which still has good margins today as well as facility construction that has the good margins.

We're not active in the large pipeline space. We're starting to look at that again, starting to get some enquiries particularly around opportunities in the Oklahoma, Texas areas which are kind of our backyard, and certainly that, we point to that as kind of the – when will this turn and make a difference is when we are seeing and executing some of that work again.

And we're seeing some softening in the new tank construction market, but an increase in opportunities on the maintenance and repair. Smaller opportunities, you've got to have a larger sales force to capture the equivalent revenue – but a strengthening revenue stream for us.

Canada, we still see that next year, year and half is a difficult market and it doesn't matter whether you're looking at the permitting issues that are tied up some of the larger pipeline projects or the margin pressure in existing operations where people are trying to drive costs out of the market and get something that's more competitive on the world stage.

So, that's – I'm not sure if John if that was three minutes or less, but pretty darn close.

Q&A

<Q – John Rogers>: Can you talk about the large diameter business? I mean way back, I mean that was…

<A – Michael J. Fournier>: That was the business.

<Q – John Rogers>: What are part of your capabilities and capacity in that business right now? And what does it take to get back into it and your referred investment…

<A – Michael J. Fournier>: So, you look at capability and capacity a couple of different ways. Some people focus on the equipment, how much equipment do you own and you could put out on a right of way today, and the answer is very little. But what we do a very good job at is, understanding where the equipment is. And in some cases we even like in Canada for example, we maintain a fleet of – I went out and was up there the other week and we have 140 side boom sitting out on our yard. We own zero of them. We maintain them for a third-party equipment supplier and thus it gives us good visibility of the side boom. And side boom is the problem.

When you talk about your capacity on pipeline work, and similarly we track about 90 side booms in the U.S. that are available on a rental basis, and then we own maybe a dozen ourselves.

So from an equipment standpoint, we believe we have access to balance with the personnel. When you look at personnel, it's all in our world all about superintendents and their following. And we currently have I would argue two to three superintendents that have the track record of doing the large 400, 500-person type large diameter automated spreads. And, obviously we don't just keep sitting on the bench, they are out involved in some of the mid-diameter projects that we're currently doing. So short answer two.

<Q – John Rogers>: To get back into the market, you would be able to have to make that that decision, you have to…

<A – Michael J. Fournier>: Well, in large part that's a client decision. And part of it's the dynamics and where the work is. So, we're an open shop contractor. That means our backyard where we're highly differentiated is when you get down into Texas, Oklahoma and the Southeast. You get up in the Northeast and we don't even operate up there, because that's predominantly union. And when we do operate there, it's on a small scale. We have a company called Lineal that operates in the union space, and their forte is difficult terrain, but we don't over extend them. So, for them – they don't do large diameter work. They are the people you want, when you want to go up the side of a mountain in that end of the world, but you've only got five miles or 20 miles, not a couple of hundred miles.

The issue we have to overcome is the cycle on when they make awards, so there is a lot of awards made and then delays in starts throughout 2014, 2015, and some of those projects are now, we can see are mobilizing and some of them are starting and stopping, but we can see there are contractors able to put the people and the equipment to work, and there is probably, there is another round of, smaller rounds that are 2018 construction.

And on some of those, we're now pushing ourselves in some cases into the budgeting process for owners and particularly if they are in an area where we think we can be very competitive. And so, the – we weren't even in consideration in around year and half ago, because of where we were at.

I would say from a qualitative basis, we're taking more calls and providing – I call it characterize it as budgetary support which is – this is before they even put the RFP list together. But that's historically our way of getting involved in these projects, and these are 2018, 2019 kind of builds.

<Q – John Rogers>: The pipeline area that is opportunity for backlog growth that you are talking about?

<A – Michael J. Fournier>: My view is you can't build a business around an opportunity that's going to be in 2018, 2019. Our core businesses is to get a viable business built around the small cap pipeline build, so you think of a lot of that today is on the gas side, driven by coal-to-gas conversion as an example.

There is still mid-diameter shale oil that's starting to come back a bit, it's hit or miss. NGLs are producing again you know 20, 24-inch 30-miles type of stuff. And you know what we said to our folks is, we want to maintain the capability of taking on large diameter work. That's not the basis of the business. The business is being competitive on these other areas and built in around some of the higher margin work that we see on the integrity, and what I call maintenance front.

So, when we pick up large diameter work, I kind of think of that as opportunistic. We put effort on it, attention to it. It really makes the difference, when you land a project like that and the margins are significantly better in that area. My view is that, from what we've seen that is not an area that's seen margin pressure, large diameter, but you get down into the mid-diameter a lot of competition there and the integrity is still good margin work.

<Q – John Rogers>: The latest of the large diameter pipe opportunities, how do you think of where we are in this cycle, with that demand?

<A – Michael J. Fournier>: I think again, another reasons why you don't want to build your business around it, is my belief is right at the tail-end of that build out again. Maybe there is more people to spend time looking at that than I do, because I've kind of made that decision a year ago, but I've seen nothing that's changed my opinion since then.

I think there is some opportunity in Canada, but the permitting, the government and the permitting up there is going to take a while to untangle. But to have a viable oil business up there in the long-term, they've got to resolve that, and that in my mind does say -- one of those pipeline gets built up there. But again, you can't build your business around one large pipeline, that's going to get built in the next five years.

<Q – John Rogers>: Can you talk for a second a little bit about what's left to do in terms of balance sheet and thinking of their investments and where they are?

<A – Michael J. Fournier>: That's something I ask myself two or three times a week. We are – the way I would characterize our headwinds is, we have no headwinds on our balance sheet in terms of working in Canada or UTD space. It's not even – I mean we get a cursory look like it's good due diligence on an owners part.

But certainly in our U.S. Oil & Gas and particularly around larger diameter projects that continue – since that continued, it's come back as an issue. And I think it's come back because of some of the things that have happened in the marketplace both with the pipeline operators clients themselves, but also with a couple contractors that now has this kind of scrutiny back on the radar screen, and we don't see much impediment on the smaller projects that you are going to complete in six months.

We still see some, but I think what we did in last year in terms of taking our debt down to where we're at today and the liquidity we have today says, people aren't – our client start losing sleep on that. But certainly, it becomes a conversation point when people are looking at large diameter work that doesn't start for 12 months for example.

So that I keep looking at every day and say, okay, how do I eliminate that? And so, we continue to think about that and balance off our – the consequences of trying to address that in terms of further debt reduction with the effect that we think we have the right capabilities and we're in the right spaces and anything we do today to take down debt involves reducing that capability.

<Q – Unidentified Analyst>: [Question Inaudible]

<A – Michael J. Fournier>: Well, our focus is – I guess if I look at Canada and we've talked in our previous Analyst Call that the Canadian government is investing in infrastructure there, and so we're not going to build highways or bridges, but our mechanical/electrical group up there, there is very, very good skilled transfer into water treatment, and so we've started to acquire small backlog there and that's a sort of industry that you can't as easily differentiate yourself in that space as the Oil & Gas space.

But – and it does take some time to kind of build the resumes. So I would characterize, we're effectively building the resume. Today, we've got a couple of small awards and there is certainly opportunities there that range anywhere from the little $1.5 million project to the $50 million to $60 million project which is kind of what we'd be comfortable with.

In the Oil & Gas space in the U.S., I talked about the pipeline maintenance integrity and then we are pushing now, putting more resources into the tank maintenance and repair. And again, some of the regulatory changes that we've seen, that's kind of analogous to the regulatory changes in the pipeline space for now, that's their version of integrity. And we certainly see the volumes of work available there and it's certainly transferrable skillset.

The T&D space, you know we're pushing a little bit into fiber, but I think everyone is seeing some question marks around that. I've got to say for us, fiber really isn't about taking it to your doorstep. Our interest is, we'll call it make-ready work. Somehow that fiber has to get into your neighborhood and it's usually on a pole. And we move things around on poles to make room for fiber and that, there is – that's again differentiated type of work.

And then there is no doubt this push on renewables in kind of our backyard Texas and that's where we operate Chapman, which is our transmission company and we have a large workforce involved in electric distribution, that a – we think that's a very good opportunity.

<Q – John Rogers>: So on the electrical side or the T&D side? Are we at the end of this decline in backlog? Can you talk about the markets getting better, more opportunities, after post-CREZ the business dropped off quite a bit and then you shed some things as well, I recall? And so I'm just trying to think are we at a stable point?

<A – Michael J. Fournier>: So, if I understand your question right, so, and to be clear, this isn't about decline in large transmission projects, this is specific to the mix of work that Willbros has done. So, a bit of background here for folks, Chapman which was – is our transmission business, you go back to 2013, 2014 and we were one of the primary contractors building out CREZ and CREZ in Texas was the infrastructure for these renewables. It was kind of the backbone for the

renewables that are now being built. And so that pushed up our transmission spend. I think Chapman probably peaked at $220 million a year, and complemented by relatively small distribution businesses and distribution be in the lower voltage, getting it to your doorstep.

As CREZ came down, we kind of went flat on our total revenue and it was really around distribution group, while transmission shrunk. I think we've kind of flattened out on that now. The transmission revenues will be slightly up this year. It's still not tied to kind of large cross-country transmission work, this is all in-fill transmission, these are still projects that are $12 million and under and we are maybe doing $150 million a year.

But we are starting to see is the capacity as we've kind of retooled Chapman that we're now bidding work outside of kind of our historical operating areas, and those again are $12 million to $18 million projects. Again, we're not out bidding $100 million transmission projects, but we see that opportunity as a way to kind of grow the transmission business where to this point in time it's been contracting.

And certainly we've see a lot of growth on the distribution side of our business and to the point where we had a bandwidth issue with the management and we kind of hived off and created a third regional distribution business this year by basically transferring some contractors and setting up a management team to hive off from the other two.

After that, so I say from here on, its' kind of growth as opposed to shift of transmission to distribution.

<Q – John Rogers>: The tank business conditions you saw that slowing down other than the maintenance side of it.

<A – Michael J. Fournier>: Well, what we would say there, I mean it's a business that has been impacted by delayed bills. We had a couple projects that I would've said, you are almost counting backlog until the owner called up and deferred them for 12 months. So, we see those opportunities coming back in 2017, and although it's a lumpy business because that's a business that we like to get $60 million to $70 million a year out of, and the contract sizes are $30 million contracts.

When you start looking at some of these larger new build packages that we compete for, so there's two or three of those out there. There's a couple that are tied up with the balance of plant opportunities where it's the tank plus the piping. And but, what there isn't is, there isn't 10 of those out there, where we came out of a period in 2014 and 2015 where was 10 of those to chase each year, now you are down to three or four.

And so what we've said is, we need to look at the other side of the business which is the repair maintenance, and I think we went back and looked and we did like $2.5 million in that in the last 12 months. And yet it's a multi-$100 million business in the U.S. and so that's got us kind of switching gears, and that's' about your regional distribution of your sales force and looking at multiple industries and instead of just the upstream oil and that's good margin work.

It's now kind of a formula that we sit there and say, how many sales people per work order to build the volume, and it is a volume type of thing. The order sizes themselves are like $500,000 to $1 million. So, to get to $80 million a year, you got to chase a lot of bits and pieces, but stable work and recurring work.

<Q – John Rogers>: You mentioned earlier that, since you took over, you got [indiscernible]?

<A – Michael J. Fournier>: Yeah, I hate to use this analogy, because I'm from Canada. But my CFO, when I was talking to him yesterday, he say, yeah, I think of this as the Houston Astros and I'm not a baseball follower. So, if there is someone that follows baseball, you will understand this, I don't.

But apparently they were pretty lousy team for a long time. But they didn't kind of rush to rebuild, they build the foundation right, at least my CFO thinks they are good team now, and then they've got a capability of being a good team, because they got a good foundation. And so that's why I got hulled down here was, I know how to build good foundations for construction operations and I've kind of reached the end of the road in terms of fixing things and the performance – the project performance is indicative of that.

It's now about what are the right markets and it's – unfortunately for me – it's a game of being patient and not chasing bad revenue. And the dilemna is I'm COO of a public company and people want it done in one quarter. And they don't want me telling this, it's going to take more than a quarter. So, that's where we're at.

<Q – John Rogers>: Then sort of going further at KKR, in terms of – they have all of your debt at this point?

<A – Michael J. Fournier>: KKR has $92 million, that's our term debt down from $270 million a year and half ago.

<Q – John Rogers>: And what's the time frame on that?

<A – Michael J. Fournier>: Linnie, are you – 2018 or 2019. 2019. 2019 yeah, with a hellacious make-hole on it.

<Q – John Rogers>: Till then, there is nothing to ask?

<A – Michael J. Fournier>: Yeah. My world revolves around KKR. There is nothing that. They are very good. They own a big piece of our company and they are very good to work with. So, we've got no complaints there, but that's $11 million of interest a year, but it goes towards servicing that thing.

But outside that, we have a short-term credit facility, we're not drawn on it. We've cash collateralized a bunch of LCs. So, from a liquidity standpoint, we've got liquidity to operate the Company and we – just as indicative as kind of our sensitivity to kind of client perception, we were getting some feedback from clients around concerns on awarding work relative to bank covenants. So, we went off early and addressed that and I'm going to say in part because of the optics of it as opposed to the need for it. So, it's down to kind of that level of things that we're kicking over stones looking for solutions.

<<John Rogers, Analyst, D. A. Davidson & Co.>>

Alright. Thank you. We appreciate you coming down. Thank you.