



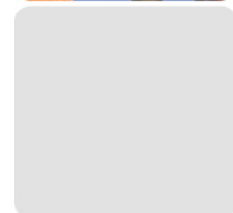
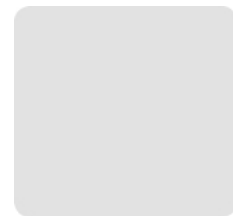
1Q13 Earnings Presentation

April 24, 2013

Presenter:

Anthony G. Petrello

Chairman, President & Chief Executive Officer



Forward-Looking Statements

We often discuss expectations regarding our markets, demand for our products and services, and our future performance in our annual and quarterly reports, press releases, and other written and oral statements. Such statements, including statements in this document incorporated by reference that relate to matters that are not historical facts are “forward-looking statements” within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These “forward-looking statements” are based on our analysis of currently available competitive, financial and economic data and our operating plans. They are inherently uncertain, and investors must recognize that events and actual results could turn out to be significantly different from our expectations.

You should consider the following key factors when evaluating these forward-looking statements:

- fluctuations in worldwide prices and demand for natural gas, natural gas liquids and crude oil;
- fluctuations in levels of natural gas, natural gas liquids and crude oil exploration and development activities;
- fluctuations in the demand for our services;
- the existence of competitors, technological changes and developments in the oilfield services industry;
- the existence of operating risks inherent in the oilfield services industry;
- the existence of regulatory and legislative uncertainties;
- the possibility of changes in tax laws;
- the possibility of political instability, war or acts of terrorism in any of the countries in which we do business; and
- general economic conditions including the capital and credit markets.

Our businesses depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Therefore, a sustained increase or decrease in the price of natural gas, natural gas liquids or crude oil, which could have a material impact on exploration and production activities, could also materially affect our financial position, results of operations and cash flows.

The above description of risks and uncertainties is by no means all inclusive, but is designed to highlight what we believe are important factors to consider.



Recent Highlights

Two Primary Business Lines

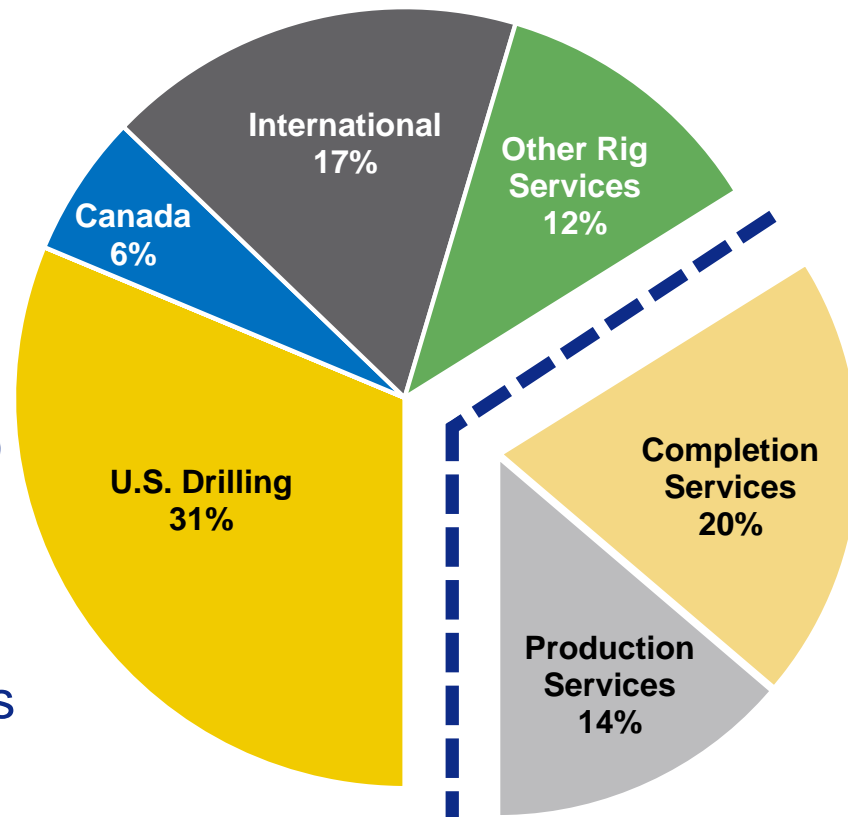
> Drilling & Rig Services

- U.S. Lower 48 – 279 rigs⁽¹⁾
- U.S. Offshore – 22 rigs
- Alaska – 20 rigs
- Canada – 66 rigs
- International – 150 rigs
- Other Rig Services
 - Canrig (top drives, rig automation software)
 - Peak (Alaska logistics)
 - Ryan (directional drilling)

> Completion & Production Services

- Completion Services - 805k HHP
- Production Services
 - 546 rigs
 - 1,036 trucks
 - 3,568 frac tanks

2012 Revenue⁽²⁾



(1) Includes announced new build commitments

(2) Revenue excludes other reconciling items

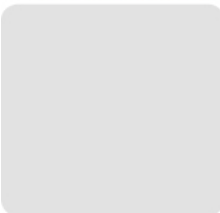


New Board Member

Howard Wolf

> Experience

- Former senior partner at Fulbright & Jaworski L.L.P. (1959-2003)
- Chaired State Bar of Texas Committee on Securities and Investment Banking and Section on Corporation, Banking, and Business Law
- Served on, or chaired, numerous boards of directors including, Stewart & Stevenson and Offshore Logistics
- Currently serves as a director of Simmons & Company



Balance Sheet Management

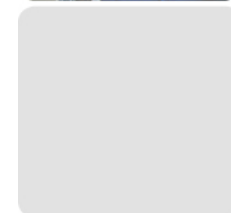
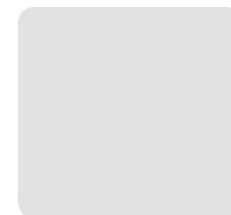
Targeted Net Debt Reduction

(\$MM's)	Actual			Targeted ⁽³⁾
	4Q11	4Q12	1Q13	4Q13
Total Debt	\$4,624	\$4,380	\$4,380	\$3,913
Cash and Investments	539	778	690	540
Net Debt	4,084	3,601	3,690	3,372
Shareholders' Equity	5,588	5,945	5,974	6,241
Gross Debt to Capitalization	45%	42%	42%	39%
Net Debt to Capitalization	42%	38%	38%	35%
Coverage⁽¹⁾	7.0x	7.9x	7.4x	7.7x
Leverage⁽²⁾	2.6x	2.2x	2.4x	2.1x

(1) Coverage defined as LTM EBITDA / LTM Interest Expense

(2) Leverage defined as Total Debt / LTM EBITDA

(3) Based on consensus EBITDA as of 4/19/13



PACE®-X Rig Designed for Current and Future Market Demands

***Awarded 2 New Contracts = 19 Contracted
18 rigs delivered in 2013 & 1 rig in 2014***

- > Smaller modular footprint and walking system
 - Reduces pad construction and remediation costs
 - Faster and lower cost well-to-well and pad-to-pad moves
 - Fewer permit loads for anytime moving and reduced truck traffic
 - Minimizes environmental impact
 - Increases drilling efficiency
 - Reduces HSE exposure
- > Scalable size and capacity
 - High downhole torque
 - Oversized setback
 - Expandable bi-fuel power and pump capacity
- > Designed specifically for pad drilling
 - Expanded substructure height and width
 - Reduces need for deep cellars
- > Higher hydraulic horsepower and closed loop mud system
 - Consistent ROP in long laterals
 - Reduces equipment rental and rig move time
 - Increases productivity



Alaska Legislature Repeals Progressive Tax

- > Senate Bill 21 passed April 14, 2013
 - Gov. Sean Parnell: “We are signaling to the world that Alaska is back, ready to compete, and ready to supply more energy once again.”
- > Goal to increase Alaska oil production
 - North Slope production
 - 1988 peaked at over 2 mmbpd with Prudhoe Bay comprising 1.6 mmbpd
 - 2012 production averaged 579 mbpd with Prudhoe comprising 265 mbpd
- > Prior progressive tax
 - Oil profits taxed at 25% per barrel at \$30 per barrel
 - Tax increases 0.4% for every \$1 per barrel above \$30
- > New tax
 - Flat 35% net profits tax, with \$5 per barrel exempted for all produced oil

Other Oil States' Tax Structures

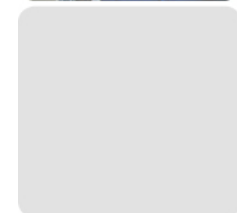
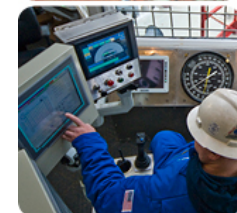
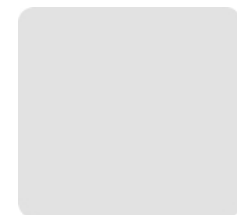
- North Dakota: 11.5% of gross value of oil production
- Texas: 4.6% per barrel (plus other small fees)



Financial Summary

(\$M's except EPS)	1Q12	2Q12	3Q12	4Q12	1Q13
Revenue	\$1,821,757	\$1,602,797	\$1,666,892	\$1,596,807	\$1,581,540
EBITDA	563,157	486,363	497,612	427,034	422,953
Operating Income	315,536	225,347	228,015	149,751	149,588
Diluted EPS⁽¹⁾	\$0.49	\$(0.34)	\$0.22	\$0.44	\$0.33

(1) Diluted EPS for continuing operations





Drilling & Rig Services

Drilling & Rig Services

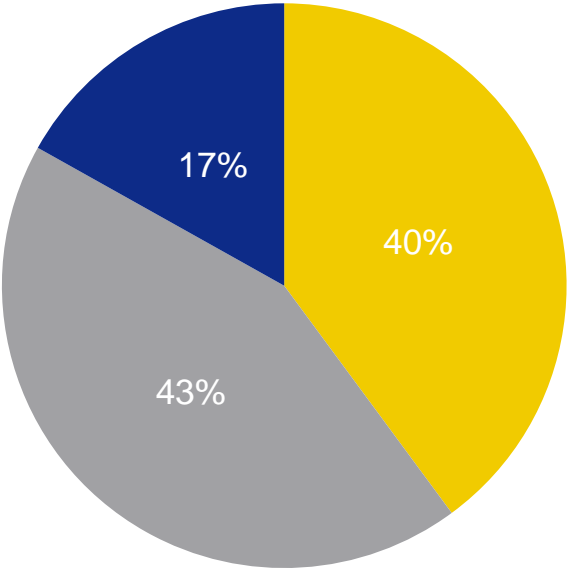
Adjusted Income (Loss) Derived from Operating Activities

(\$M's)	1Q12	2Q12	3Q12	4Q12	1Q13
<hr/>					
Drilling & Rig Services:					
U.S. Drilling	\$166,733	\$145,351	\$115,207	\$82,603	\$77,595
Canada	43,146	(529)	21,679	27,064	30,518
International	21,138	16,401	30,299	23,388	21,469
Rig Services	29,846	28,179	16,207	4,829	7,737
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Total	\$260,863	\$189,402	\$183,392	\$137,884	\$137,319

Global Rig Fleet Details

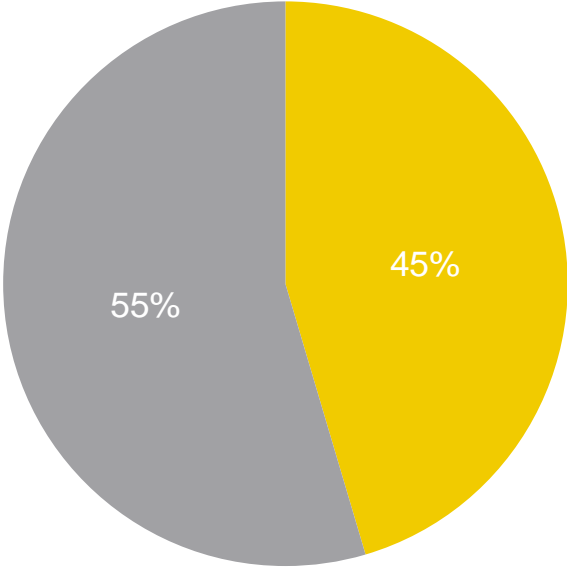
	AC	SCR	Mech	Total	Moving Systems
Alaska Land	5	12	3	20	13
Lower 48	157	96	26	279	141
Canada	16	21	29	66	20
International Land	31	64	31	126	49
Offshore	6	40	2	48	n/a
Total	215	233	91	539	223

Rigs by Power Type



■ AC ■ SCR ■ Mech

Global Rigs with Moving Systems

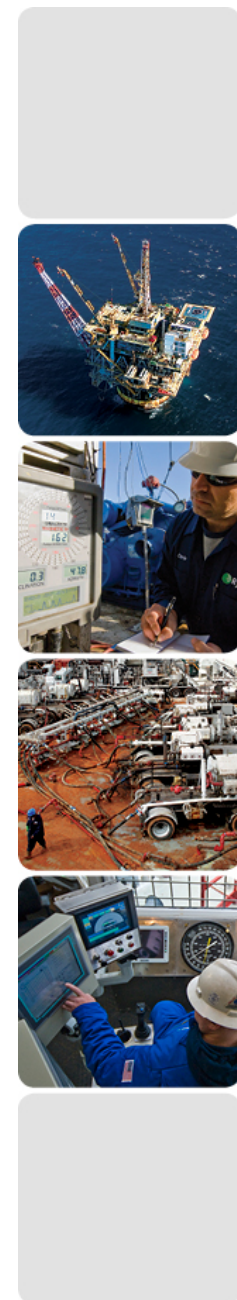


■ Moving Systems ■ Non-Moving

1Q Rig Utilization & Availability

	Rig Fleet	1Q13 Rig Years	Utilization
U.S. Lower 48			
AC	140	119	85%
Legacy	<u>122</u>	<u>51</u>	42%
U.S. Lower 48 Total	262	170	65%
U.S. Offshore	22	14	64%
Alaska	21	6	29%
Canada	65	40	62%
International	148	123	83%
Subtotal	518	353	68%
PACE®-X Construction ⁽¹⁾	16		
Total Fleet	534		

(1) Includes announced new build commitments



Leading Lower 48 Player

- > Contract mix
 - 115 rigs (65%) term
 - 62 rigs (35%) spot
- > Commodity focus
 - 136 rigs (77%) oil and liquids
 - 26 rigs (15%) gas term
 - 15 rigs (8%) gas spot
- > Customer base
 - Super majors and majors 20%
 - Large independents 43%
 - Small and private 37%
- > 95% pad-capable rig utilization

As of 4/24/13

PACE®-F Rig



PACE®-M Rig



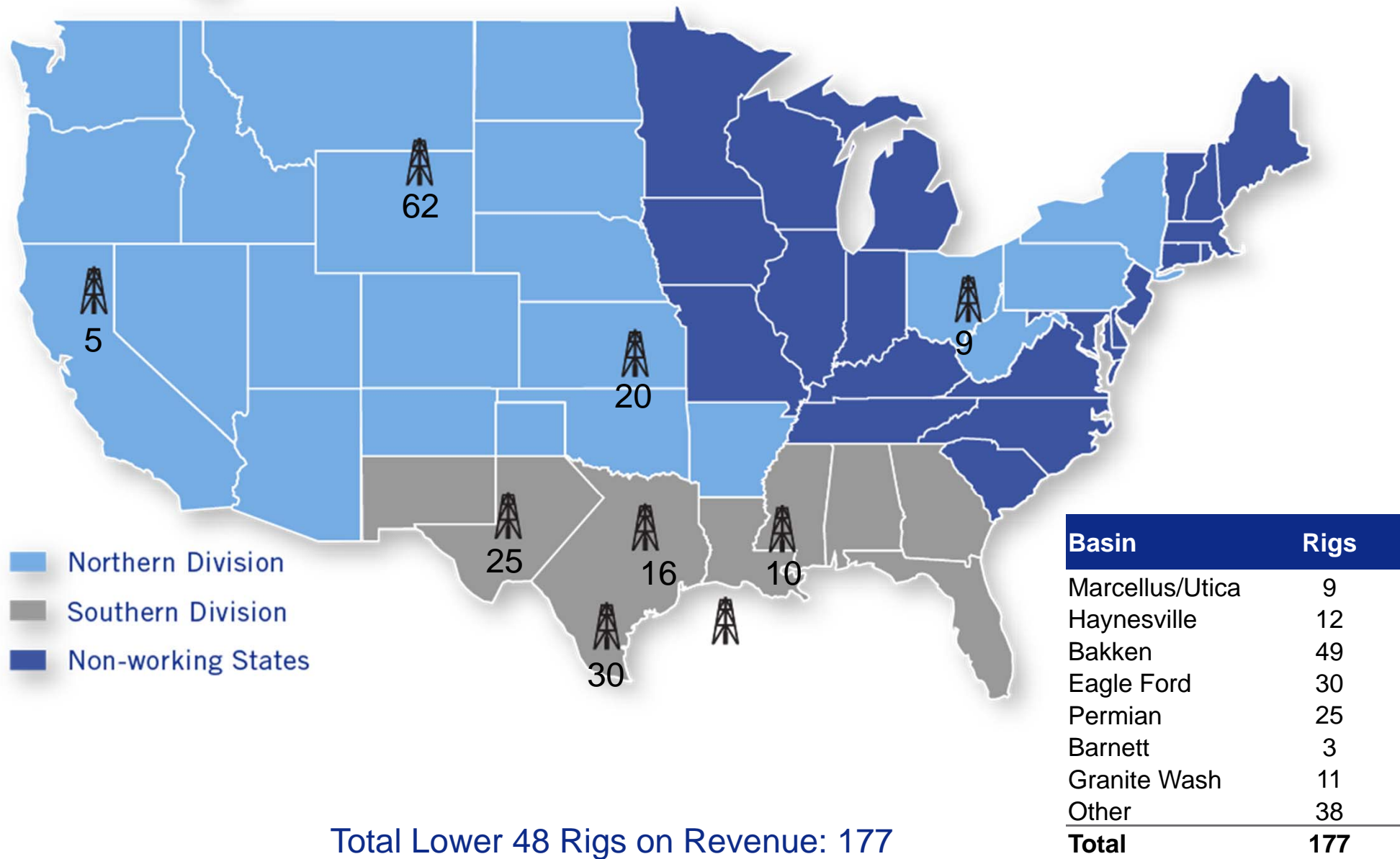
PACE®-B Rig



PACE®-X Rig

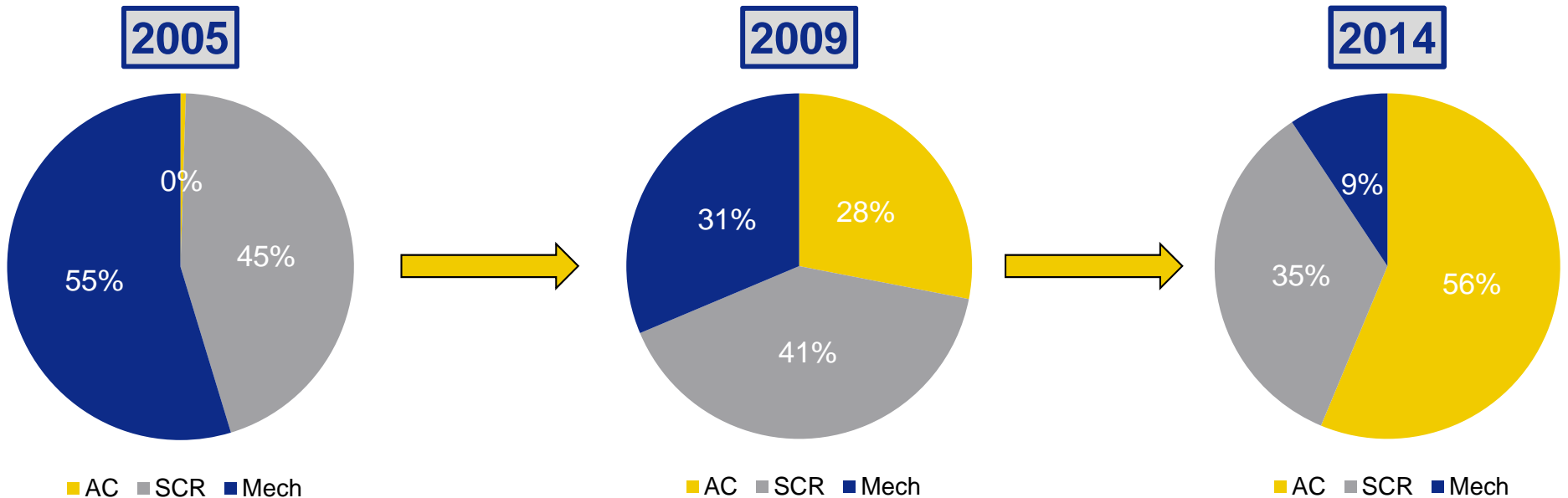
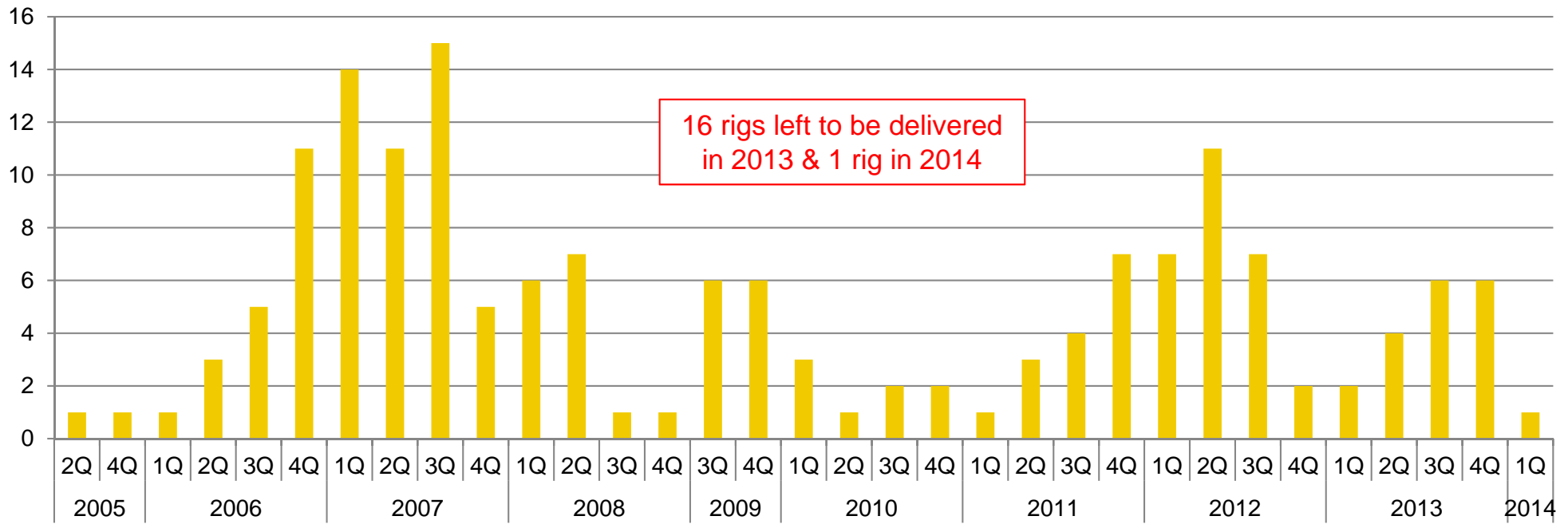


Lower 48 Working Rigs by Region and Play



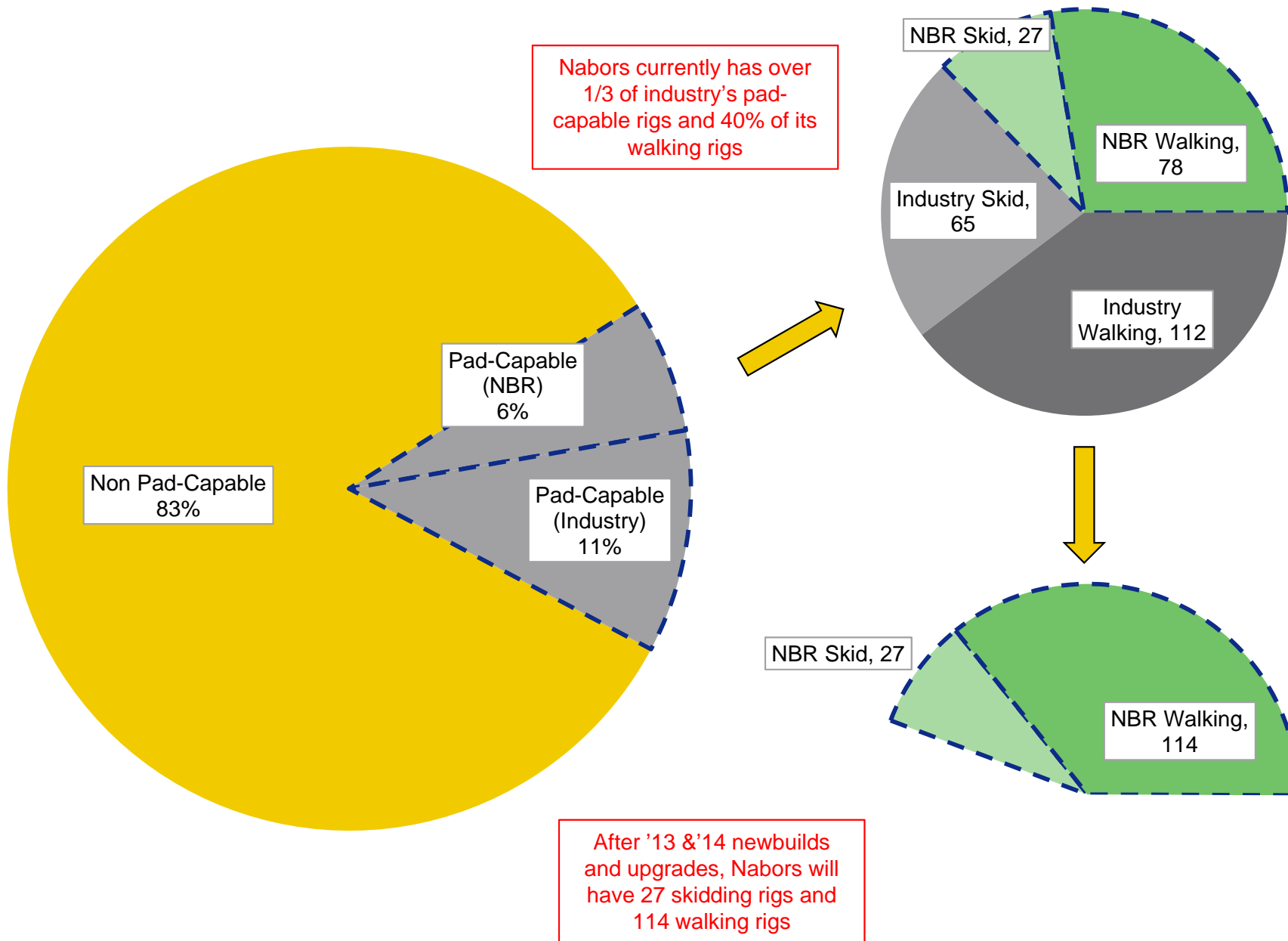
As of 3/31/13

Lower 48 Newbuild Deployments



As of 3/31/13 including rigs scheduled to be delivered

Lower 48 Pad Capable Rigs



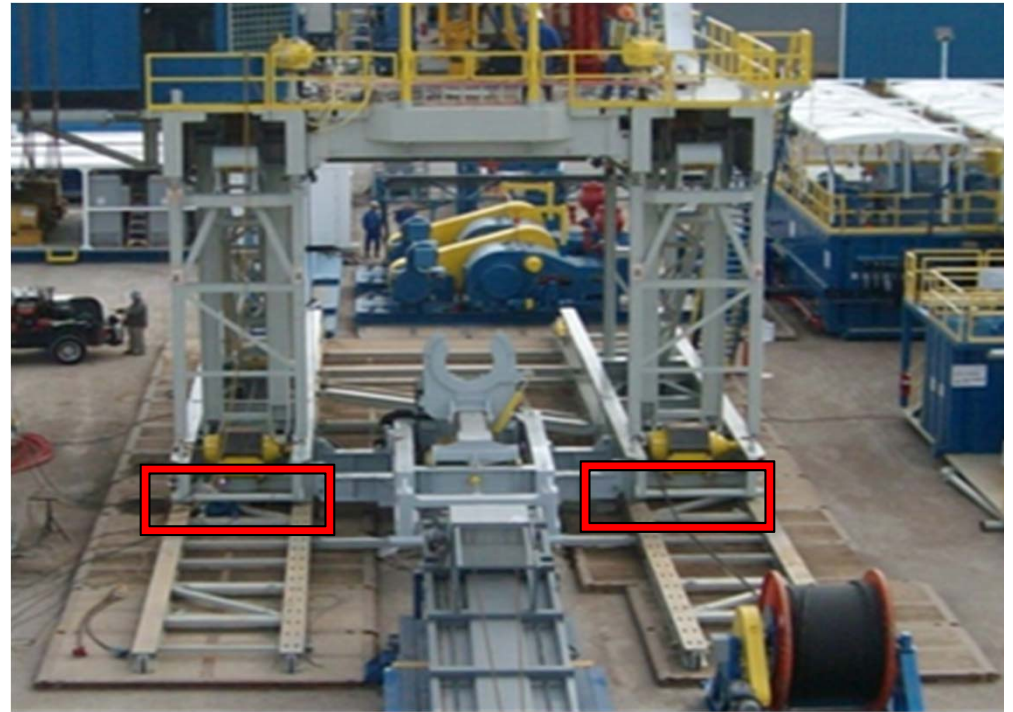
Source: Baker Hughes Land Rig Count, NBR Estimates



Walking System Advantages

> Skidding System

- Limited by guide track, problems with existing wells
- Requires perfectly level guide track to prevent high-center of rig
- Guide track is last to leave, first to be rigged up
- Unforgiving if conductor is off-center
- Requires additional loads



> Stomper System

- Reduced rig up
- Ability to walk around existing wells
- Onboard rig leveling system



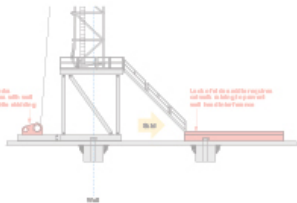
Three Limitations of Skid Rigs

1. Accommodating misaligned wells

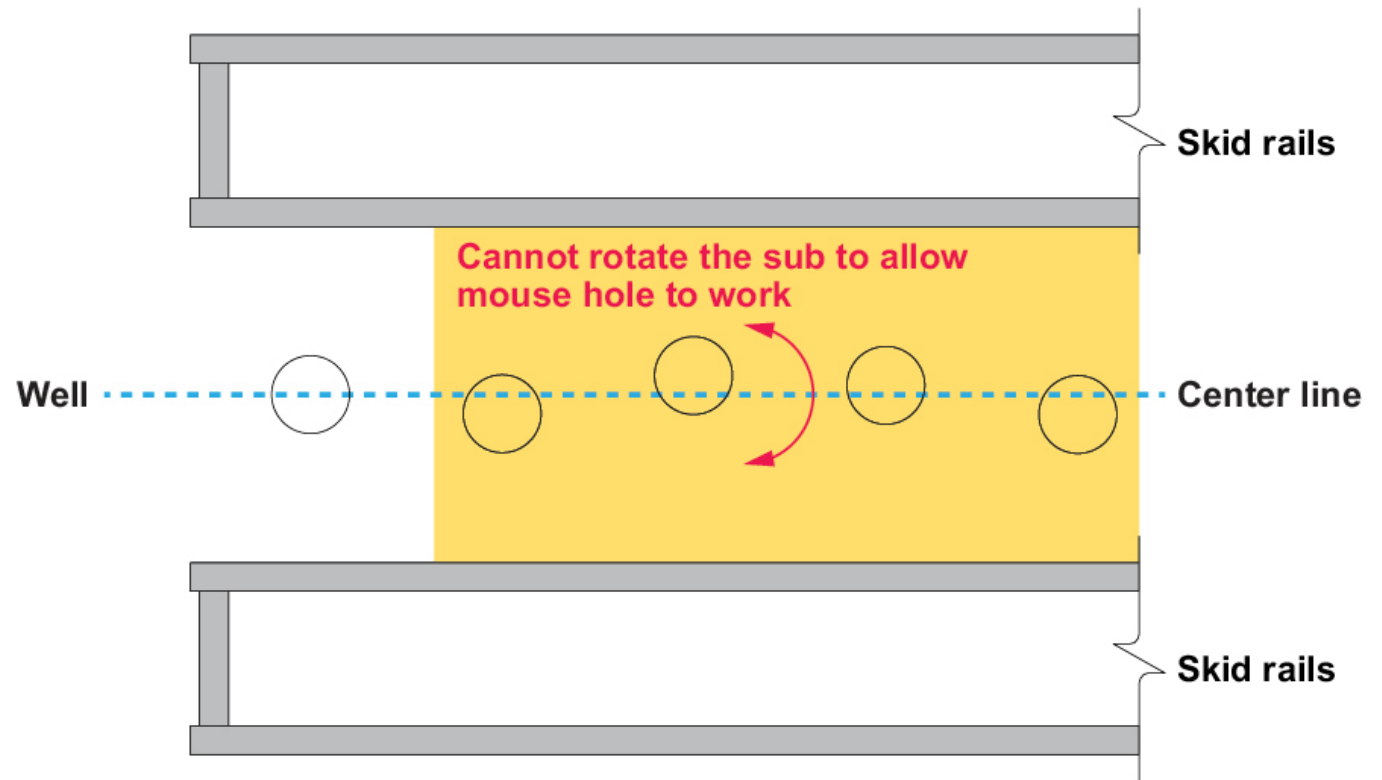
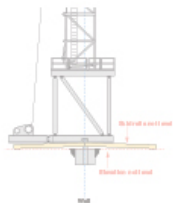
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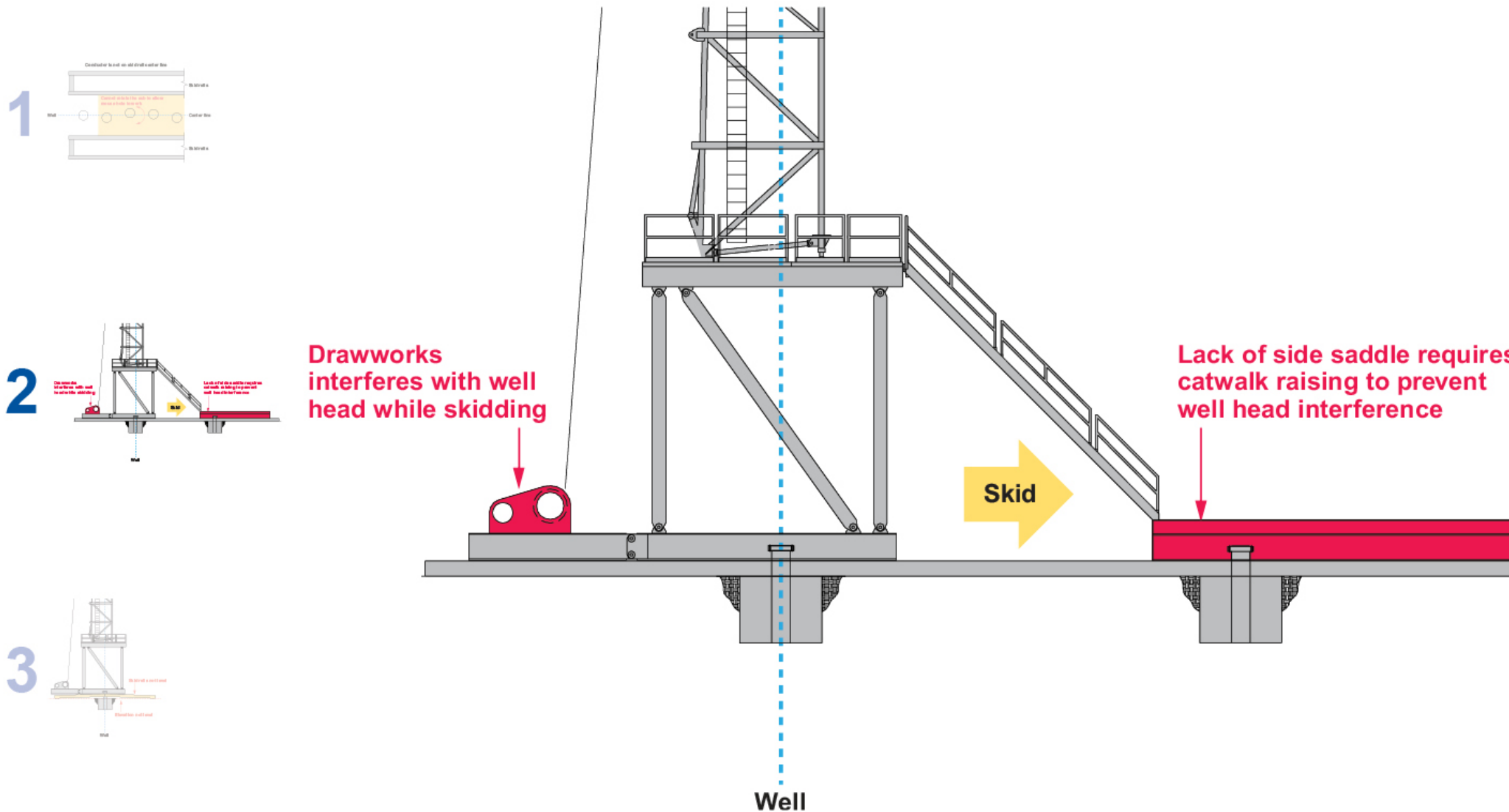


3



Three Limitations of Skid Rigs

2. Accommodating typical wellhead installation



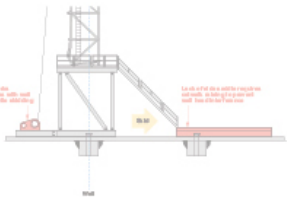
Three Limitations of Skid Rigs

3. Accommodating uneven ground

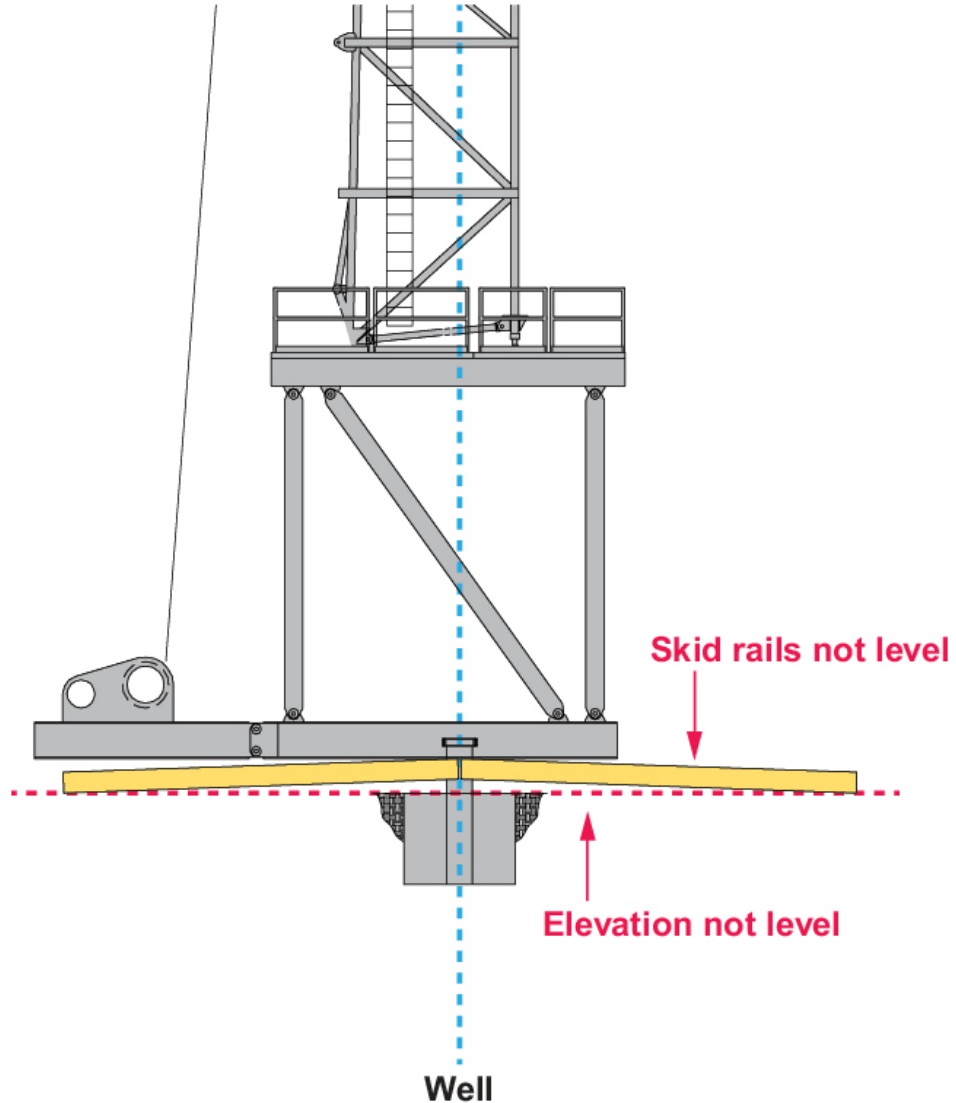
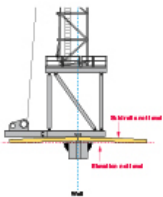
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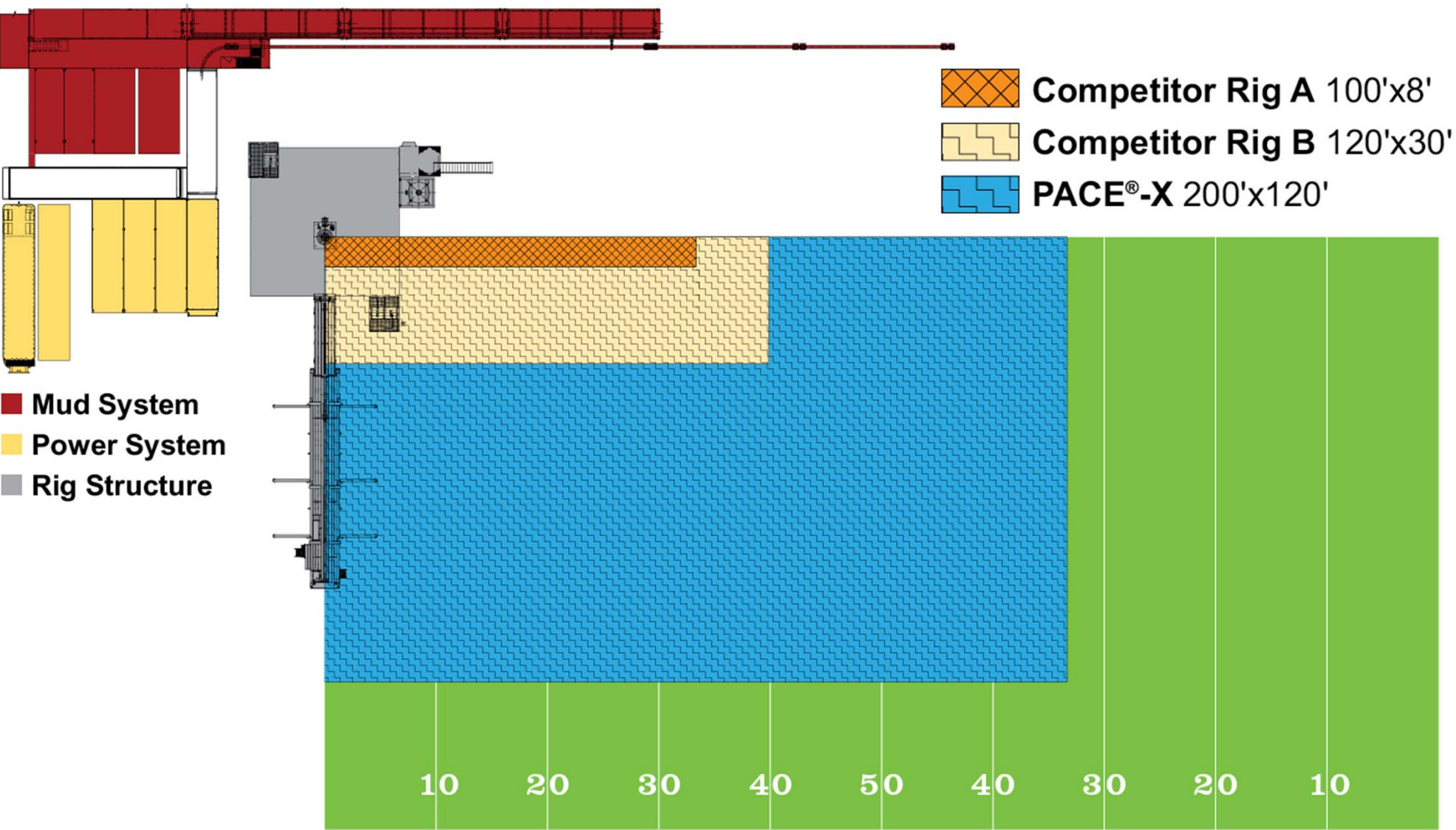
2



3



PACE®-X Pad Drilling Capabilities



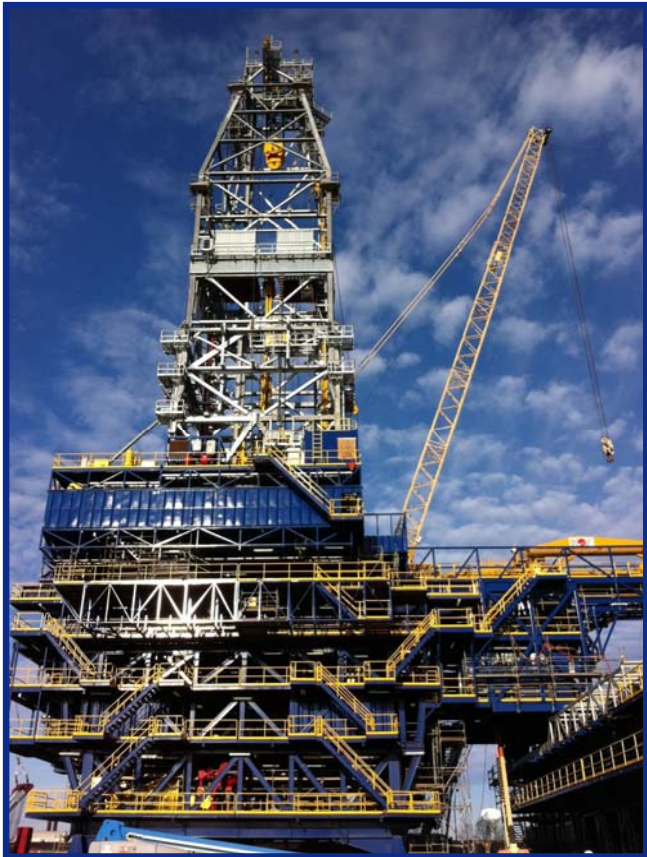
U.S. Offshore

Two of the Largest Platform Drilling Rigs in the Gulf of Mexico

Two New 4,600 HP Rigs

U.S. Offshore Rig Fleet

Workover Platform	10
Drilling Platform	7
Workover Jackup	1
Barge	4
Total	22



Nabors designed, built and owned



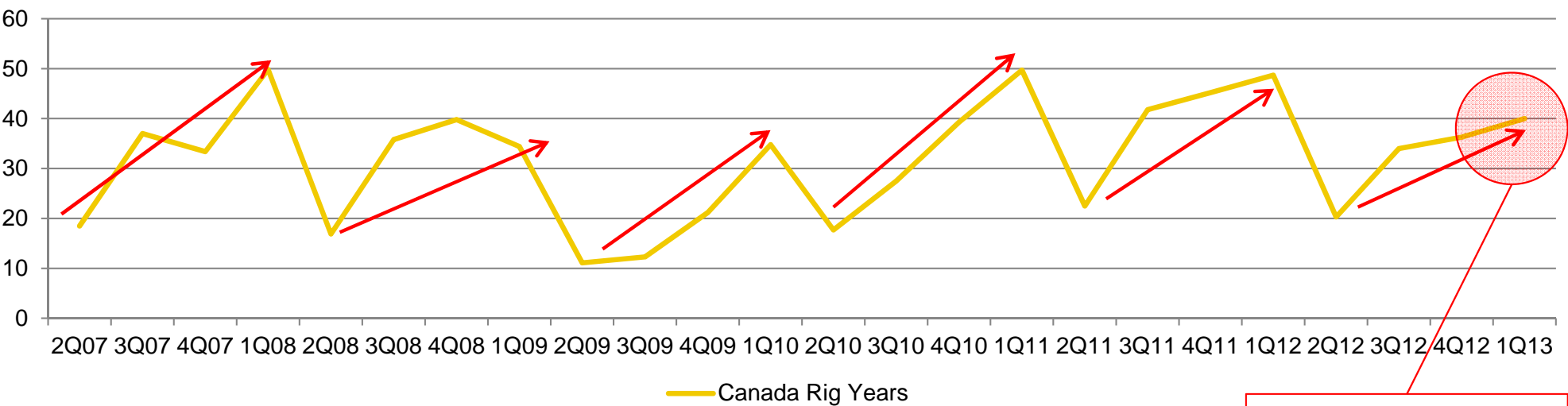
Nabors designed and built, customer-owned

Nabors Arctic Coiled Tubing Drilling Rig CDR-2



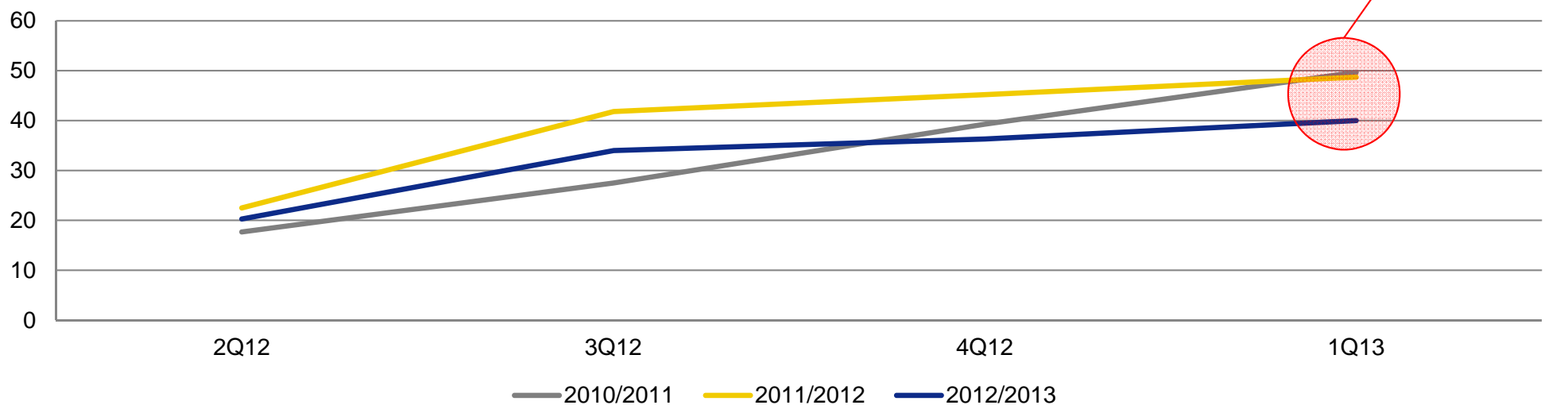
Canada Drilling

Canada Rig Year Seasonality



1Q rig count lower than traditional seasonal high

Recent Seasonal Ramps

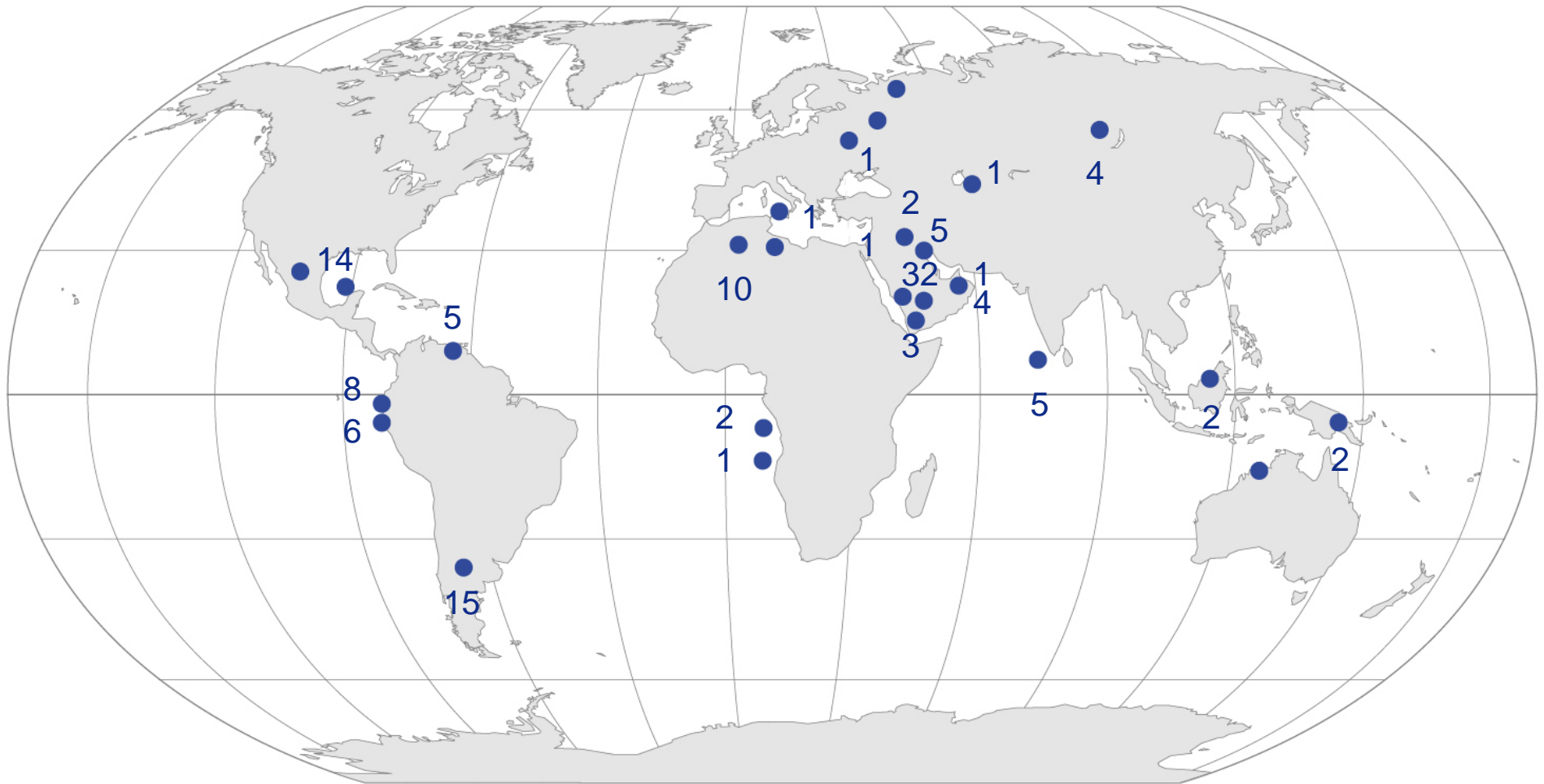


Canada Working Rigs by Play

Play	Target	AC	SCR	Mechanical	Walking Rigs	Workover Rigs
Montney	Oil / Gas	3	8		5	1
Duvernay (NW Alberta)	Oil		1		1	18
Cardium (Central Alberta)	Oil			8		18
Saskatchewan	Oil					4
Oil Sands	Oil	2	2		4	10
Horn River	Gas	1	2		1	
Total		6	13	8	11	51

As of 3/31/13

International Working Rigs



Algeria	10
Angola	1
Argentina	15
Colombia	8
Congo	2

Ecuador	6
India	5
Iraq	5
Italy	1
Jordan	1
Kazakhstan	1

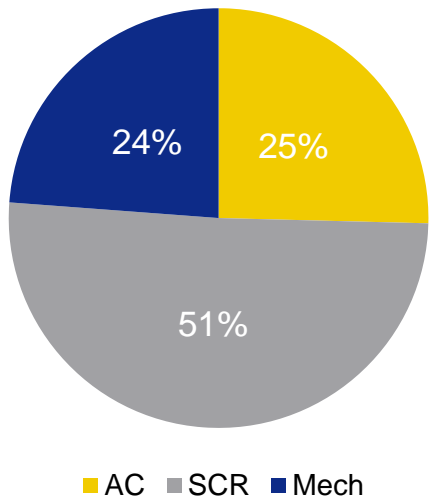
Kuwait	2
Malaysia	2
Mexico	14
Oman	4
PNG	2
Qatar	1

Romania	1
Russia	4
Saudi Arabia	32
Venezuela	5
Yemen	3

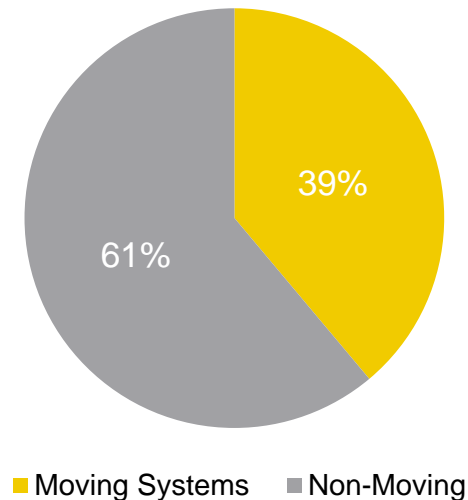
International Land Fleet Details

	AC	SCR	Mech	Total	Moving Systems
International	32	64	30	126	49

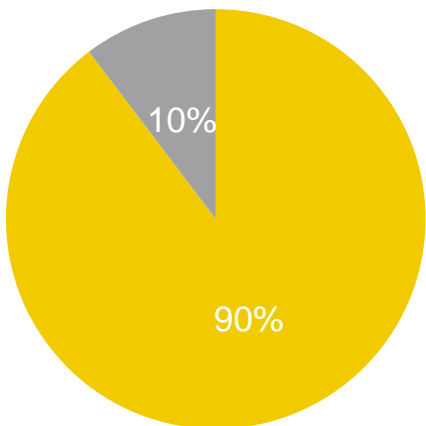
Rigs by Power Type



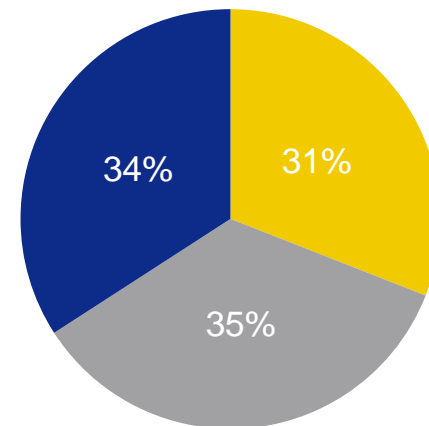
Rigs with Moving Systems



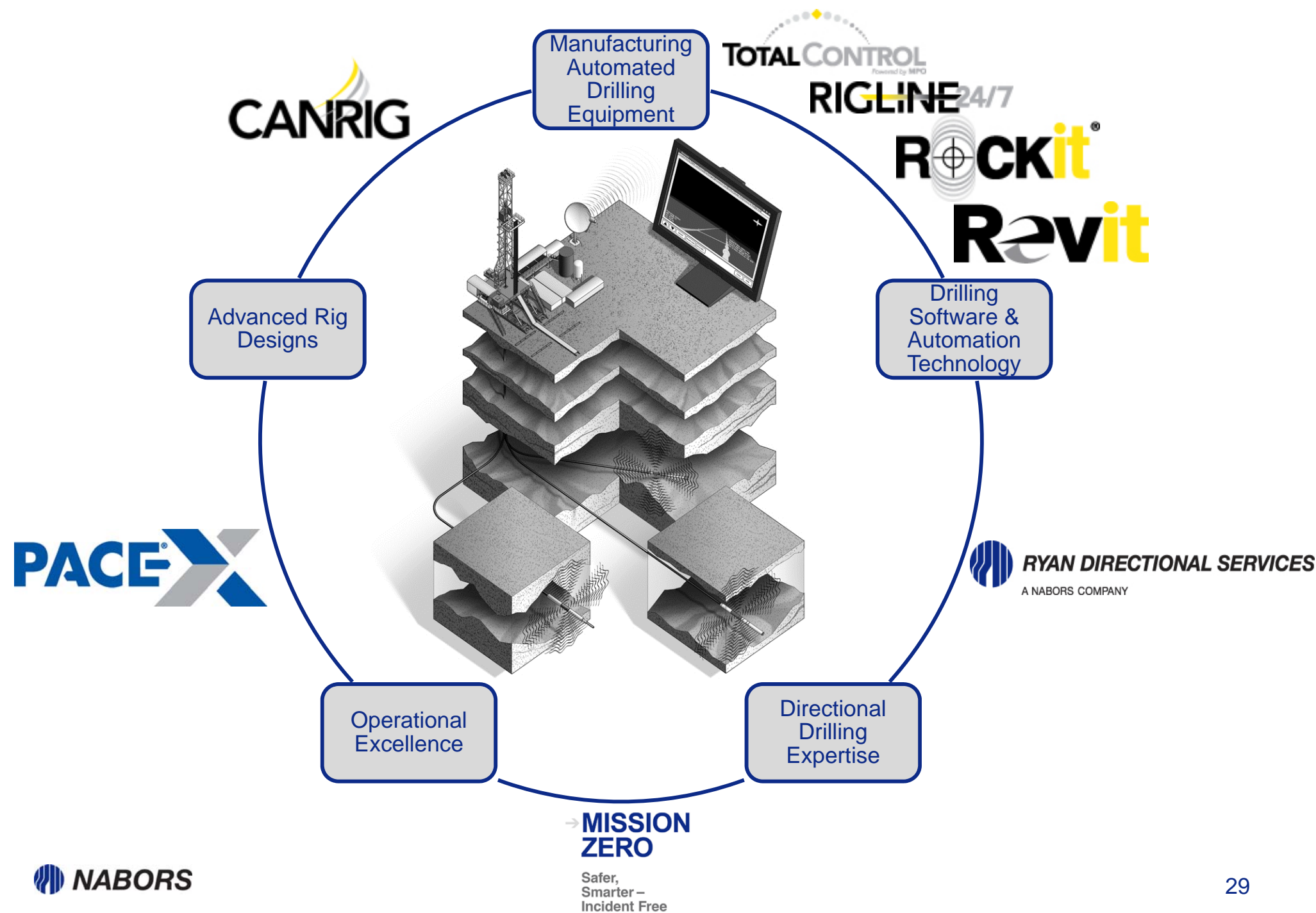
Rigs with Top Drives



Since 2005



Closing the Loop on Drilling Automation





Completion & Production Services

Completion & Production Services

Adjusted Income Derived from Operating Activities

(\$M's)	1Q12	2Q12	3Q12	4Q12	1Q13
Completion & Production Services:					
Completion Services	\$64,860	\$46,144	\$47,218	\$30,296	\$17,756
Production Services	28,029	25,397	34,035	21,374	26,014
Total	\$92,889	\$71,541	\$81,253	\$51,670	\$43,770

Completion & Production Services Fleet

Region	Rigs	Frac Crews	Trucks	Frac Tanks	CTU	Cementing	Wireline	Additional Equipment
Western	181		108	99	15	12		P&A Rigs, Foam Units
Rockies	69	10	56	322	2	9	10	P&A Rigs, Pumps, Swivels
Mid-Con	36	1	111	438	2	8	8	Reverse Units, Foam Units
Northeast	11	4	105	602	5	40	12	Rig Moving, Excavation
West Texas	104	3	334	1,241	2	4	2	Reverse Units, Foam Units
South Texas	25	3	196	570	4	7	2	Condensate Trucks
Ark-La-Tex	16	2	126	296				P&A Rigs
Gulf Coast		1				4		
Canada	104	2						P&A Rigs
Total	546	26	1,036	3,568	30	84	34	

Stimulation Fleet Contract Detail

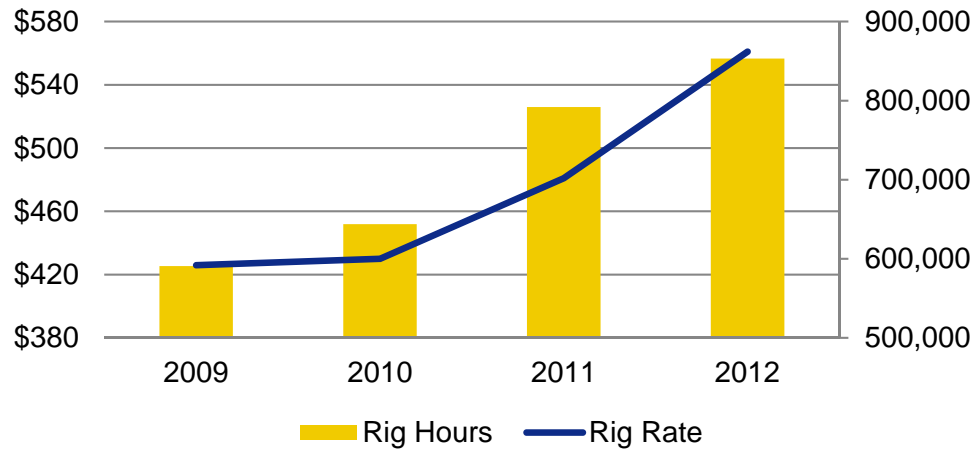
Region	# of Crews	Term	Spot	Idle	Oil/Liquids	Dry Gas	24 Hr.
Rockies	10	6	4		10		6
Mid-Con	1			1			
Northeast	4	1	3		2	2	3
West Texas	3	1	1	1	2		
South Texas	3	2	1		3		3
Ark-La-Tex	2			2			
Gulf Coast	1			1			
Canada	2		2		2		
Total	26	10	11	5	19	2	12



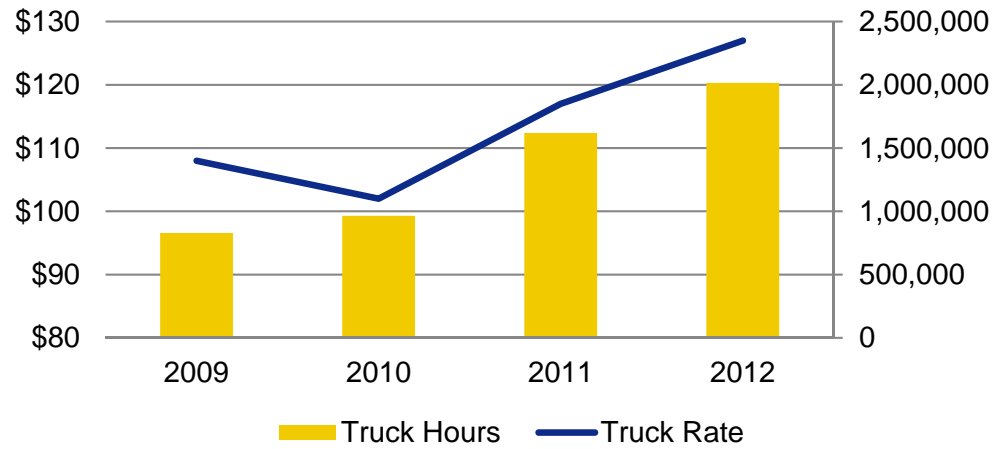
21 working

U.S. Production Services Rates & Hours

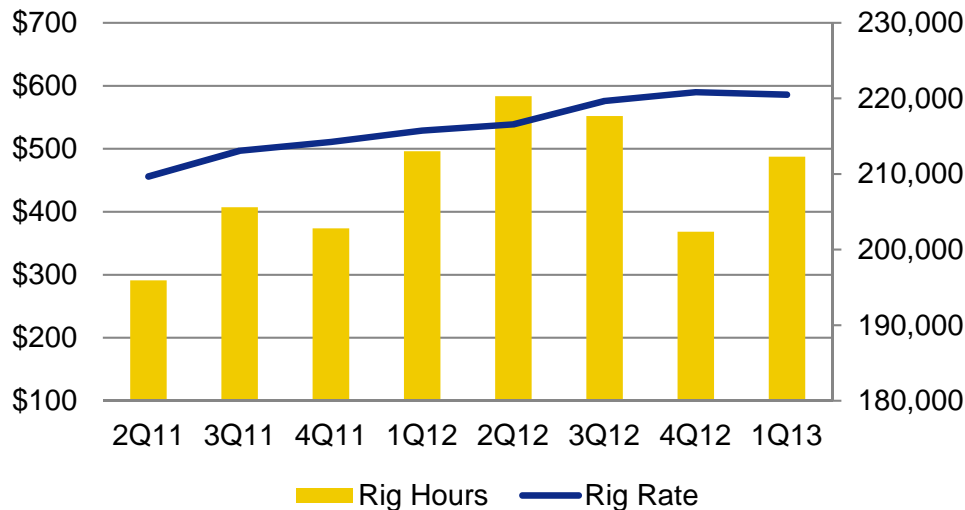
Well Servicing Rigs Annual Rates and Hours



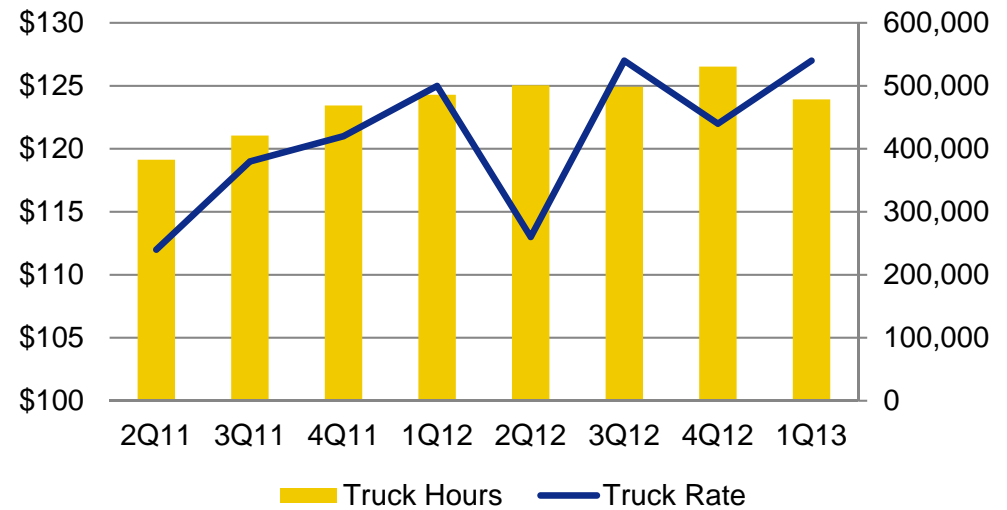
Fluid Hauling Trucks Annual Rates and Hours

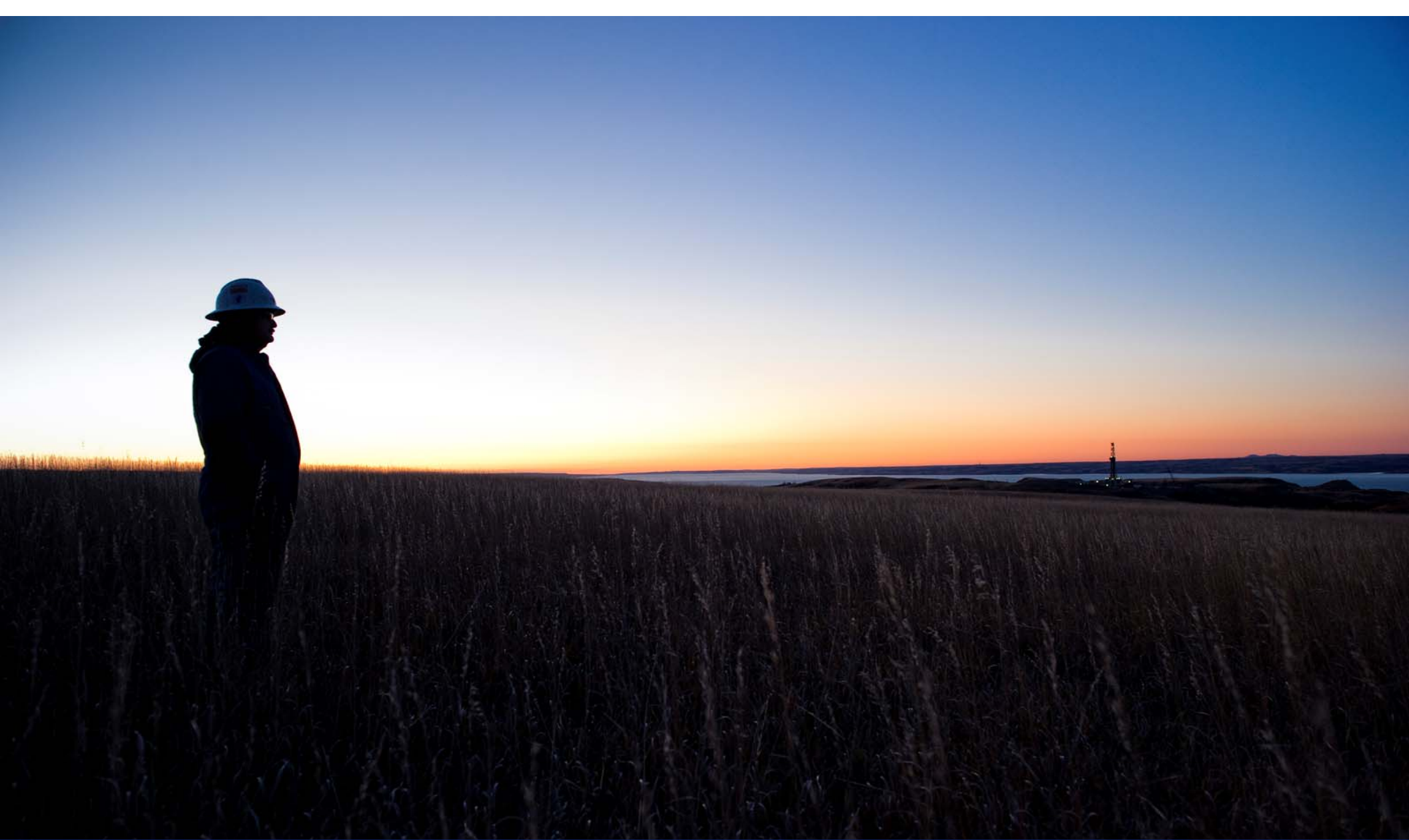


Quarterly Rates and Hours



Quarterly Rates and Hours





Summary

Key Takeaways

- > Near term remains challenging with limited visibility
- > Outsized operating leverage over longer term
- > Global optionality relative to North America-centric peers
- > Continued focus on EBITDA generation
- > Multiple opportunities for high-impact investments
- > Focused on matters within our control
- > Potential for trading multiple expansion



EBITDA

(\$M's)	1Q12	2Q12	3Q12	4Q12	1Q13
Drilling & Rig Services	\$455,225	\$399,217	\$398,741	\$359,889	\$356,688
Completion & Production Services	146,560	123,176	136,488	107,732	97,842
Other reconciling items	(38,628)	(36,030)	(37,617)	(40,587)	(31,577)
Total	\$563,157	\$486,363	\$497,612	\$427,034	\$422,953



Ancillary Information

Nabors Global Infrastructure

Margins and Activities

	1Q12		4Q12		1Q13	
Drilling	Margin ⁽¹⁾	Rig Yrs	Margin ⁽¹⁾	Rig Yrs	Margin ⁽¹⁾	Rig Yrs
U.S. Lower 48	\$10,942	219.0	\$12,363	172.7	\$9,955	169.5
U.S. Offshore	19,630	11.9	(428)	12.4	19,163	14.1
Alaska	48,124	8.2	22,344	5.2	48,491	6.0
Canada	14,282	48.7	14,389	36.3	14,278	40.0
International	11,023	117.7	12,004	119.3	11,452	122.7
Production Services	Rev/Hr	Rig Hrs	Rev/Hr	Rig Hrs	Rev/Hr	Rig Hrs
U.S. Lower 48	\$529	213,026	\$590	202,368	\$586	212,298
Canada	834	57,044	818	44,582	806	48,027

⁽¹⁾ Margin = gross margin per rig per day for the period. Gross margin is computed by subtracting direct costs from operating revenues for the period.

U.S. Lower 48 Term Contracts in Force at March 31, 2013

Quarter-end Number Of Rigs Subject To Term Contracts ⁽¹⁾	1Q13	2Q13	3Q13	4Q13	1Q14
4Q 2012	95	81	69	63	55
1Q 2013	111	92	79	76	64

Added 16 contracts in 1Q net of expirations

Expect term contracts to decrease by 19 net of newbuilds

(\$MM's)	Actual	Estimates	
Non-Working Rig Revenue	1Q13	2Q13	Out Years
Lump Sum	1.4	1.0	--
Lump Sum: Amortized Monthly	1.6	2.3	2.3
Standby: Monthly	4.7	3.3	--
Total	7.7	6.6	2.3

(1) Represents the quarter-end number of contracts in force with no incremental contract awards in the future

