Noble Corporation

Sustainable Global Performance

REPORT 2003

At Noble Corporation, social, environmental and economic performance function like gears, operating in concert to earn and maintain the trust of our stakeholders. Our actions to continuously improve our performance are a natural outgrowth of this sense of responsibility and accountability.

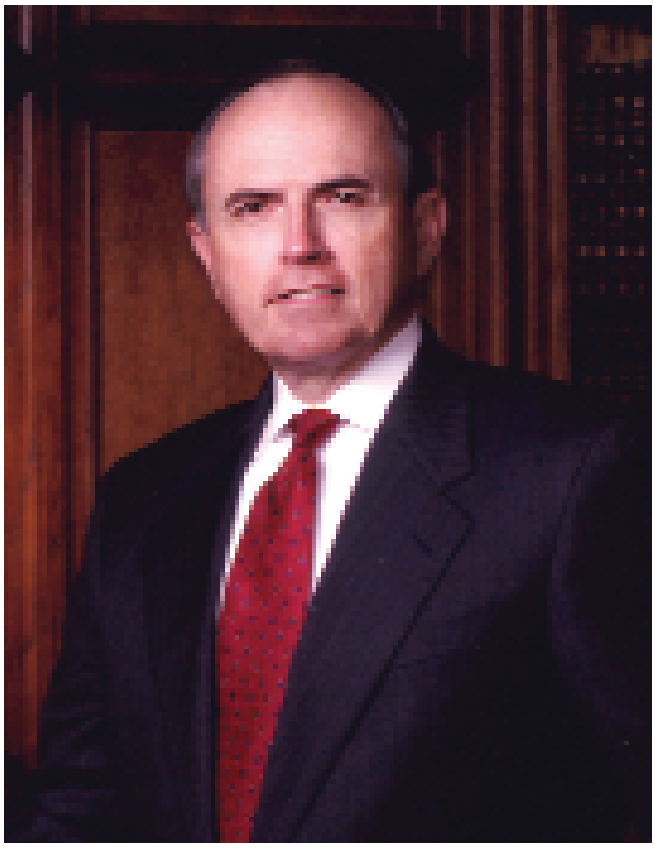
Contents

Message from the Chairman

The Company's steps to set new standards in the area of health, safety and the environment for the oil and gas sector have made excellent strides during the year. Clearly, the industry has done much in these important areas over its history, but the challenges ahead of us will accelerate. Balancing financial demands by our shareholders with good environmental stewardship and a safe working environment will indeed test all of us in the sector and certainly all levels of our organization. I know we are up to the challenges that lie before us!

While many respond to mandatory requirement, in these respective areas, our initiatives are implemented because it is the right thing to do – which is the Noble Way. Our accomplishments in the area of health, safety and the environment have been and will be implemented in a very structured and focused manner. For example, specifically in the safety area, we have approached operations worldwide with the attitude that we will maintain an accident-free workplace where men and women can function in a workplace that operates – at every level – to assure occupational illnesses or injuries are eliminated. We have proved the naysayers wrong and working together, with our clients, will continue those efforts in the future.

While much has been accomplished, there are many more opportunities that lie before us. While senior management will continue to lead by example, it is the underlying desire, and indeed a commitment of all Noble employees, to look after one another as they work that will assure a successful result. Further, each of us is charged with the responsibility of assuring we are adhering to the standards that we have set for ourselves in terms of the environment. We are all at the end of the day stewards that must assure that our future generations enjoy a clean and healthy world in which to live.



These efforts clearly are not without a substantial cost to the company; however, they are costs that will be returned many times over in the future.

I am pleased to present this year's report on our accomplishments and vision of the future, and thereby continuing to earn the trust of our shareholders, clients, suppliers and indeed the public at large.

The Noble Team looks forward to any comments you might have about our efforts.

James C. Day
Chairman and Chief Executive Officer

Safety Performance

- Noble's safety performance improved for the eleventh consecutive year. We recorded six lost time incidents (LTI) for an LTI rate of 0.12. This compared favorably to the International Association of Drilling Contractors (IADC) rate of 0.62. Noble's total recordable incident rate (TRIR) was 0.86, lower than the IADC TRIR of 2.22.

Economic Performance

- Noble continued to lead the drilling industry in economic performance in 2003. We achieved the highest return on capital, highest earnings per share and highest cash flow per share in our sector, while expanding our fleet. Noble posted our third best year with respect to net income, despite a relatively sluggish business environment. The fourth quarter of 2003 was our 34th consecutive quarter of positive earnings.

Certifications

- 23 rigs, shore base operations and facilities received ISO 14001 certification. Currently, 38 Noble assets and locations in the Gulf of Mexico, Canada, Europe, Mexico, Brazil and the Middle East/India divisions have achieved ISO 14001 certification, the highest level of environmental management and protection recognized in the world today.

- The *Noble Lester Pettus* and *Noble Joe Alford* became the first submersible drilling units and the *Noble Muravlenko* became the first drillship in the world to receive third-party certification to the ISO 14001 standard.

- Seven rigs in the Mexico Division received the International Safety Management (ISM) Code Safety Management Certificate. A total of 13 Noble rigs in Brazil and Mexico have earned ISM Code certification to date.

Recognition and Awards

- The *Noble Jim Thompson*, a semisubmersible in the Gulf of Mexico, was named Semi-submersible Rig of the Year by Shell Exploration and Production Company. Shell's award recognizes the crew and rig for excellence in operations and health, safety and the environment.

- In the IADC North Sea Chapter 2003 Safety Awards, Noble won first place in semisubmersibles and platform operations and second place in the jackup category. The *Noble Piet van Ede* won an IADC Merit Award for working over five years without a lost time incident. The IADC presented Special Awards to the *Noble Ton van Langeveld* and the ChevronTexaco *Captain* Platform for displaying characteristics of a safe rig.

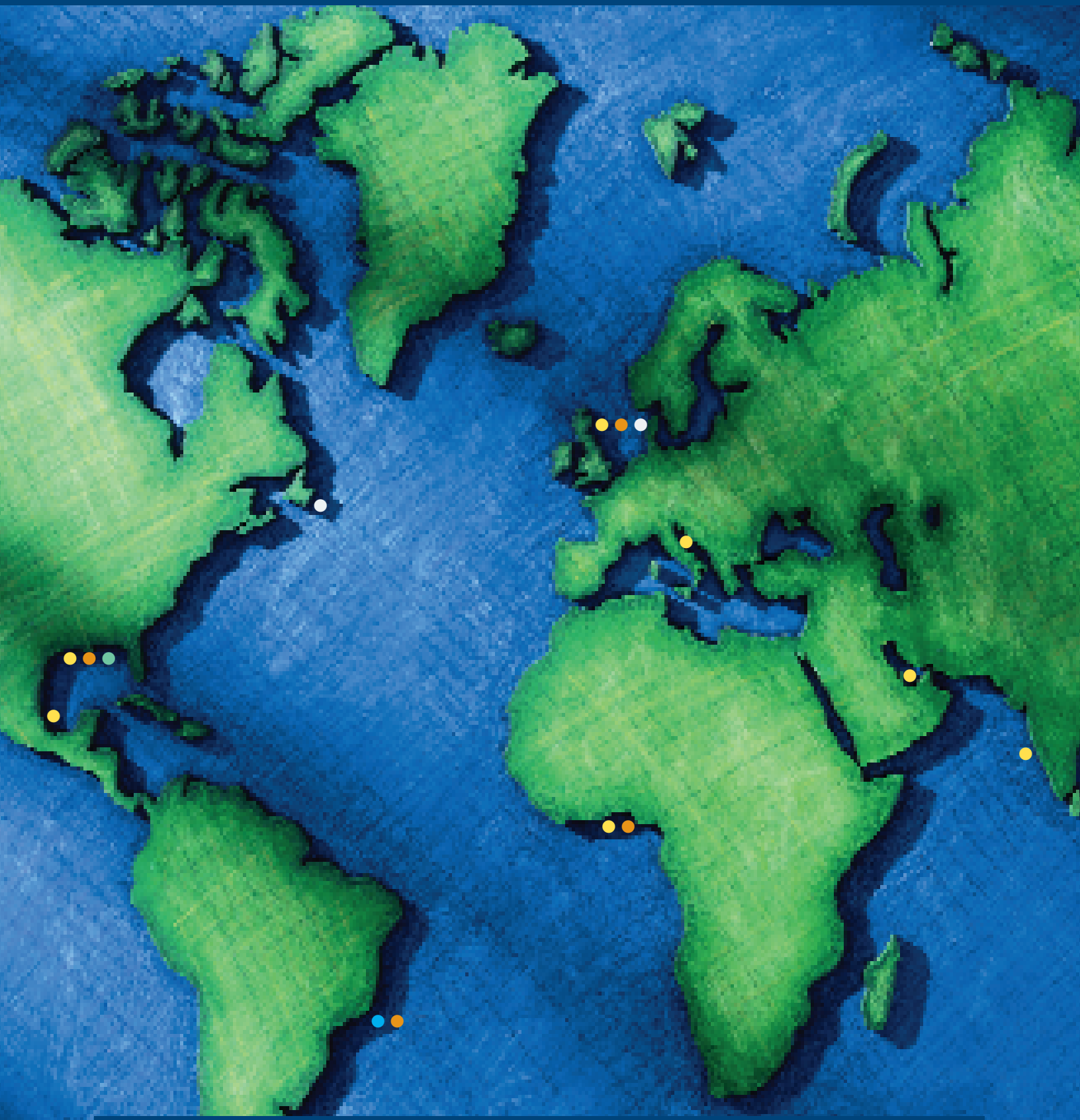
- The *Noble Piet van Ede* and *Noble Lewis Dugger* won the Noble Chairman's Award in the Eastern Hemisphere and Western Hemisphere, respectively. The Chairman's Award recognizes two rigs annually for achieving a level of health, safety and environmental excellence that stands out among the Noble fleet.

Environmental Initiatives

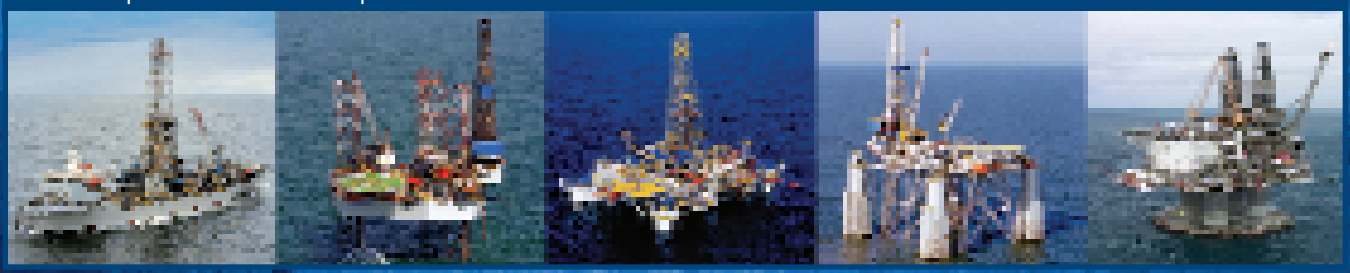
- Noble completed our initial three-year baseline of diesel engine emissions as a first step in managing the emission of greenhouse gases from our drilling units.

- In the Gulf of Mexico (GOM), Noble recycled over 179,000 pounds of material collected offshore. Since launching the recycling program in 2002, more than 300,000 pounds of material from Noble's GOM operations have been recycled. Worldwide, we have recycled more than one million pounds of waste from our offshore assets.

Areas of Activity



Drillship Jackup Semisubmersible Submersible Platform



About Noble

Noble's Role in the Energy Business

Drilling for hydrocarbons is a vital step in the process of bringing oil and gas to consumers worldwide. Noble Corporation enables our clients to supply the growing global demand for these resources by providing efficient, safe and cost-effective drilling assets and services. It's our job to have reliable equipment and competent people in the major geologic basins of the world to help our clients find and produce valuable hydrocarbons.

At year-end 2003, Noble's fleet consisted of 59* rigs, including 40* jackups, 13 semisubmersibles, three submersibles and three drillships. The Company has options to purchase two additional premium jackup rigs.

In addition to fleet expansion, Noble pursues continuous improvement in social, environmental and economic performance as part of our business strategy. Our strong financial performance enables us to take the right steps to help ensure the safety of our people and the efficiency and quality of our equipment.

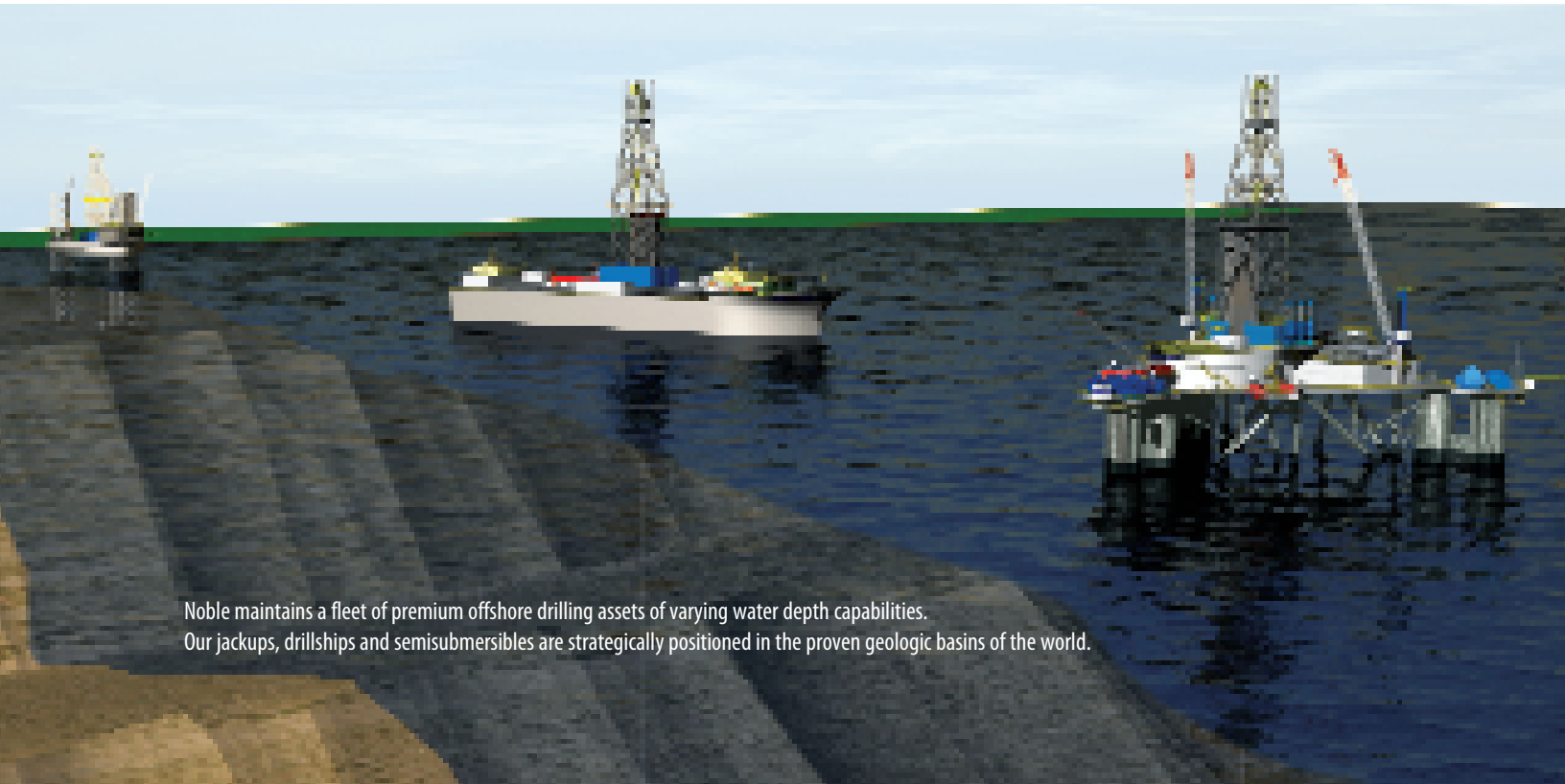
*Assumes Noble exercises its options to purchase two additional jackup rigs.

Corporate Governance

Noble's Code of Business Conduct specifically codifies, clarifies and amplifies Noble's long-standing policies with regard to a wide range of business practices and procedures. The Code clearly states the responsibility that every Noble employee bears for compliance. We work exceptionally hard to honor the Code in our corporate and personal interactions with employees, clients, shareholders, suppliers, regulators and communities.

Noble's actions to continuously improve our social, environmental and economic performance are a natural outgrowth of this sense of responsibility and accountability. We believe that improving our performance in these areas is the best way Noble can serve our stakeholders.

In documenting Noble's performance, we are striving for meaningful disclosure of our progress and areas for improvement. Noble's Board of Directors, to whom every Noble employee is ultimately accountable, endorses our efforts to improve and communicate Noble's social, environmental and economic performance.



Noble maintains a fleet of premium offshore drilling assets of varying water depth capabilities.
Our jackups, drillships and semisubmersibles are strategically positioned in the proven geologic basins of the world.

Noble emphasizes both teamwork and individual employee responsibility for operations and continuous improvement.

Investment Firm Recognition

Noble is recognized throughout the institutional investment community for effective corporate governance. For example, the independent investment rating firm The Corporate Library awarded Noble its Board Effectiveness Rating of "A." This is the firm's highest rating and compares to an industry average rating of "C."

Institutional Investor magazine's second annual "America's Best CEO's" named James C. Day as the best CEO for the Oil Services and Equipment industry sector. The winners were chosen by surveying nearly 1,400 professional portfolio managers and securities analysts at 405 investment firms. For the second straight year, James Day has won this award in Noble's sector for showing excellence in corporate governance and financial discipline.

Health, Safety and Environment Committee

Quarterly, the Noble Health, Safety and Environment (HSE) Committee meets to discuss our HSE metrics, initiatives, progress and results. Along with the senior management team, the Chief Executive Officer is an active and fully informed participant in HSE Committee meetings.

Environmental Steering Committee

Noble management and environmental staff meet regularly to ensure that the Company continuously improves our environmental performance. This team monitors and assesses our voluntary, proactive initiatives to lessen our impact on the environment and our progress toward attaining and maintaining ISO 14001 certification in each area of the world where we operate.

Noble Paradigms

Every Noble employee is guided by the Noble Paradigms, the principles of expected individual and team conduct in our Company. Above all, we believe that people are Noble's greatest asset. Consequently, we develop our employees and treat them fairly. Noble expects employees to work with integrity and to accept responsibility for their individual impact on our financial performance.

We are focused on operations, and every employee is charged with seeking continuous improvements throughout the Company. Through organization and focus, Noble can quickly evaluate and seize opportunities. Employees have independent responsibilities to make decisions that will improve operational and financial efficiency.

Noble employees strive to do better. By benchmarking our operations against other drilling contractors, Noble can stay focused and maintain a leading position in the industry. Finally, Noble considers safe and efficient operations to be our most effective marketing tool.

People are Noble's most important asset. We are proud to employ people of 38 nationalities. Their perspectives enrich the Noble culture and enhance our ability to serve our clients and communities. Noble trains and develops our employees and above all, we provide and maintain safe and healthful working conditions at all times.

Reflecting Our Global Scope

At year-end 2003, Noble employed 3,265 men and women whose nationalities reflect the international scope of our business. We have operations in 14 countries, and some of our rig-based employees commute across continents as part of their jobs. In this environment, bridging and blending cultures is a way of life and a way of doing business for Noble.

Noble provides employment opportunities for local citizens in communities where we have operations. In some locations where there is a small local labor pool, we recruit from other countries to fill positions, further contributing to the cultural richness of our workforce. Localized training and development programs help ensure that our workforce diversity does not compromise the safety and efficiency of our operations.

Improving Operational Performance

Noble asks and expects a lot of our employees. We give them responsibility for operating and maintaining multi-million dollar assets, while working safely and efficiently, and meeting or exceeding our clients' expectations.

To ensure our employees are competent to meet these challenges, Noble starts by recruiting and hiring highly motivated and qualified people. We recruit selectively to ensure our job candidates have the personality traits and verbal, quantitative, communication and problem-solving skills required for our team-oriented culture. Then, we provide training and development opportunities for employees at every level.

Noble's hiring practices, training for new employees and ongoing professional development contribute to our steady performance improvements. Since 1998, we have recorded a 71% improvement in our total recordable incident rate and an 83% reduction in our lost time incident rate.

Documenting Workforce Competency

To maintain high standards of operational excellence, efficiency and safety, Noble employees must be competent to perform their duties. Noble's competency-based, entry-level training ensures that roustabouts and floormen can do their jobs safely and to the best of their abilities.

In 2003, we put a process in place to formally document the competency of Noble employees up to the level of rig manager. This was the first step in a long-term plan to establish verifiable competency for rig-based Noble employees.

This Competency Assurance Program was first established in our Europe Division in 1994 and introduced in the Gulf of Mexico Division in September 2003. The program requires employees to provide proof of their competency by documenting specific criteria for job knowledge, performance and training.

After establishing competency in their current job and performing the job for a set time period, employees may begin working on the core competency requirements for a position at the next higher level. In this way, the program establishes clear criteria for career advancement.

Currently, rig managers and offshore installation managers in the GOM are working to document that they meet Noble's Standards of Competence. As we refine the process, we will roll out the Competency Assurance Program in other divisions.

Noble's Competency Assurance Program in the Europe Division is certified by OPITO Limited, a national training organization for oil and gas extraction that is recognized throughout the drilling industry.

Tailoring Leadership Development to Meet Industry Needs

Noble introduced the Safety Leadership Workshops (SLW) in 1999 to promote a clear and consistent understanding of Noble's values and expectations. Supervisory employees around the world were the initial participants. The workshops combine safety training and leadership development, with the goal of continuously improving our safety performance.

In 2003, about 1,400 employees, representing the Gulf of Mexico, Mexico, Canada, Europe and Brazil divisions, attended SLW. Our Noble Downhole Technology employees attended a SLW tailored for them in 2003.

Noble Piet van Ede, Chairman's Award - Eastern Hemisphere

Noble Lewis Dugger, Chairman's Award - Western Hemisphere

In addition, we held the workshop for employees on four newly acquired rigs based in the Middle East/India Division. The SLW is very effective in familiarizing new employees with our values at the outset of their careers with Noble.

In 2003, the workshop content focused on integrity. Our workshops reinforced Noble's commitment to our Code of Business Conduct and our expectation that all employees represent Noble with the utmost attention to integrity and honest business dealings.

We continue to fine-tune our Safety Leadership Workshops to ensure that our employees receive the training and development they need to perform to our clients' satisfaction. In 2004, SLW will focus on building strong customer relations, managing projects and processes, integrating technology systems, solving problems and developing other skills that help employees do their jobs more effectively and efficiently.

Rewarding Excellence

The *Noble Lewis Dugger* and *Noble Piet van Ede* won the Chairman's Award for 2003, reflecting their superior achievements in health, safety and environmental performance, and daily operations. Established in 2001, the Chairman's Award is presented annually to one rig in each hemisphere for excellence that stands out in the Noble fleet and exemplifies the Noble culture.

Helping Communities

Noble's community programs focus mainly on organizations dedicated to children, education and health. Some of the organizations we supported in 2003 were Boys & Girls Country, Boy Scouts of America, Junior Achievement, Palmer Drug Abuse Program, the University of Houston Cullen College of Engineering, the Oklahoma Foundation for Excellence scholarship fund, Youth Engaged in Service and the Juvenile Diabetes Research Foundation.

In Brazil, we joined forces with Petrobras to sponsor a children's anti-drug campaign that distributed educational coloring books in public schools. We also set up a school where unemployed and unskilled Brazilian workers can learn a marketable trade.

By far, one of our most successful community relationships is with The Arc of Iberia in New Iberia, Louisiana. Individuals with developmental disabilities at The Arc process the segregated waste from our rigs into a saleable commodity. This creates a viable enterprise and employment opportunities that would not exist otherwise and provides a responsible method of handling waste. With Noble's additional recycling business, The Arc of Iberia can give more citizens a chance to improve their lives.

People at The Arc of Iberia process Noble's segregated waste for recycling.

Lean Six Sigma

Higher Efficiency also Reduces Accidents

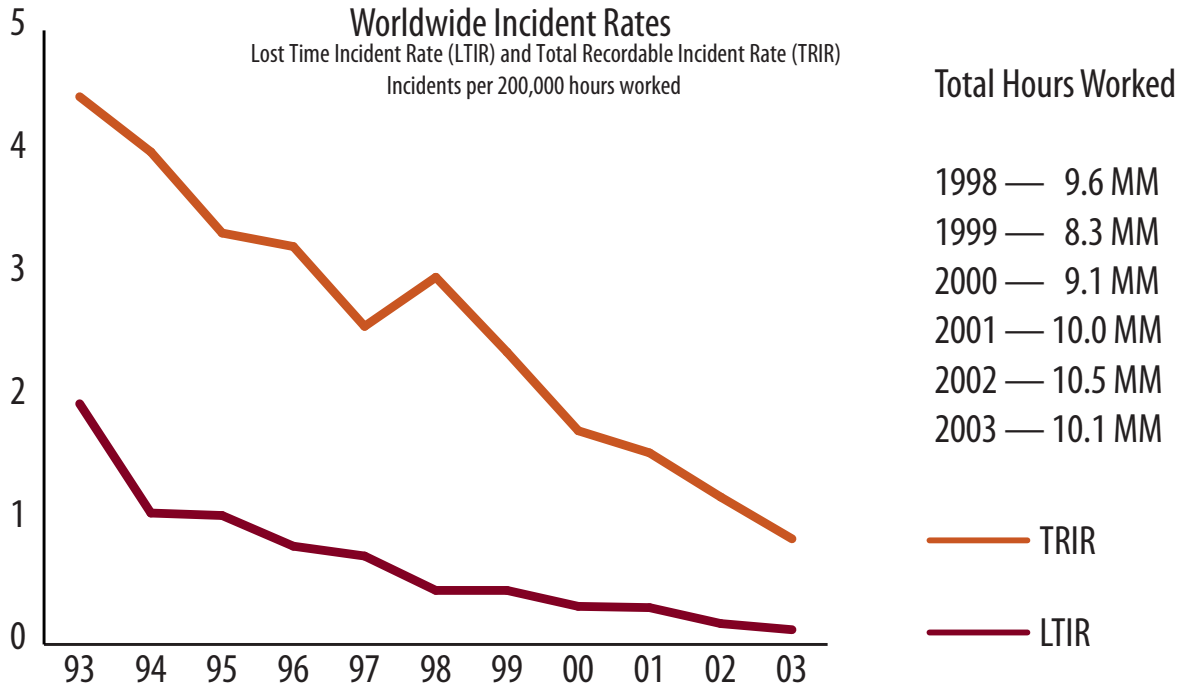
A process designed to improve operational results in Noble's Brazil Division also led to a marked reduction in safety incidents, demonstrating the link between efficiency and safety.

Using the Lean Six Sigma process, operational downtime in Brazil decreased about 20% in 2003 compared to 2002. During the same period, LTIs decreased about 46% and recordable incidents were down about 54%.

Noble believes the safety improvements are a direct positive effect of using Lean Six Sigma's systematic, fact-based approach to achieve world-class quality performance. Relying on statistical data and other tools, employees identified areas for improvement, determined root causes for downtime and generated ideas for improving efficiency.

In addition to reducing downtime and raising efficiency, Lean Six Sigma heightened employees' overall awareness and powers of observation. The same deliberate focus that led to more efficient work translated into a safer work environment on our rigs in Brazil.

Continuing Excellence in Safety Performance



Continuous Improvement

2003 was the eleventh consecutive year in which Noble's safety performance improved. Since 1993, our lost time incident rate and total recordable incident rate have declined every year, both in absolute terms and compared to industry data compiled by the IADC.

Sustaining consistent excellence for more than a decade is the result of our integrated approach. Safety is a value that is deeply ingrained in the Noble culture. We reinforce this value with written policies, training, development, behavior-based awareness programs and recognition.

A rig crew reviews an emergency response training exercise.

Outperforming the Industry

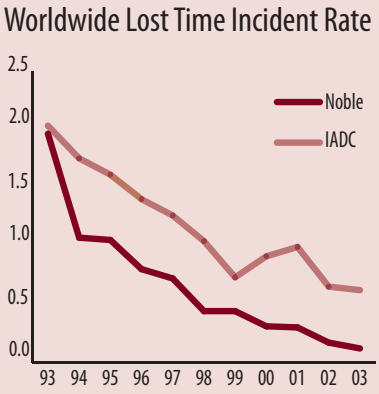
Noble recorded six lost time incidents in 2003 compared to nine in 2002. Our 2003 LTI rate was 0.12, compared to the IADC rate of 0.62. For the second year in a row, the Mexico Division, Triton Engineering and Noble Engineering & Development Ltd. recorded no lost time incidents. The Brazil Division and Noble's shipyard recorded fewer LTIs in 2003 than in 2002. For the first time, the Gulf of Mexico Division worked one year (more than 2.2 million hours), without a lost time incident.

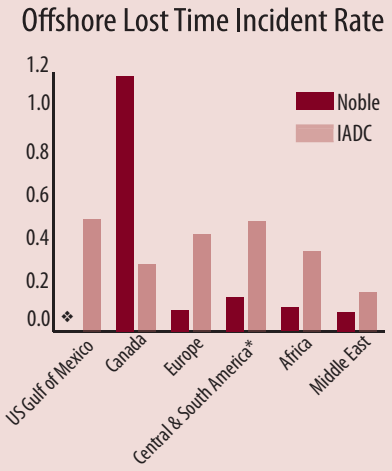
Our TRIR of 0.86 is the result of 44 recordable incidents; by comparison, the industry TRIR was 2.22. Our 2003 TRIR was a 28% improvement over 2002 results.

At year-end 2003, one-quarter of our 52 active rigs had worked five years or more without an LTI. Notably, 49 rigs, or 94% of our fleet, operated LTI-free for more than one year. The *Noble Johnnie Hoffman* holds the current Noble record for safety, operating for more than eight years without a lost time incident.

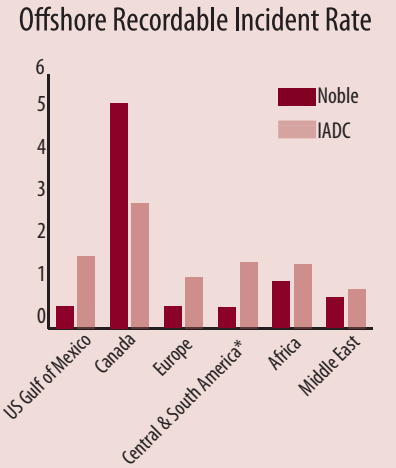
A Noble employee stationed at a fire post monitors a helicopter landing.

Noble Safety Performance Versus IADC





❖The US Gulf of Mexico achieved a zero lost time incident rate.



*To compare the IADC rate of Central and South America, data from the Mexico and Brazil divisions have been combined.

Noble's goal is to manage our operations in a way that reduces their impact on the environment. Acting on the knowledge that we can only manage what we measure, Noble measures many aspects of our drilling operations as the first step to improving our environmental performance.

Building on Fundamentals

Noble recognizes that our operations can affect the environment, particularly air and water. We're working on several fronts to reduce this impact with measurement, management and improvement initiatives.

It is our practice to be proactive, act voluntarily, go beyond regulatory compliance and strive for continuous improvement and meaningful disclosure. This approach is key to the success of our environmental programs.

Our corporate goal to certify all Noble assets to the ISO 14001 standard also contributes to our ability to continuously improve environmental performance. ISO 14001 is the highest international standard for environmental management and protection. To achieve initial certification, we must demonstrate compliance with the strict ISO 14001 standard. And to maintain the hard-earned certification, we must show continuous improvement.

In 2003, Noble focused our environmental improvement efforts on completing a fleetwide greenhouse gas emissions inventory and engine energy consumption survey, continuing our drive for ISO 14001 certifications, and continuing to expand our recycling program beyond the Gulf of Mexico.

Reducing Emissions from Our Operations

A significant accomplishment in 2003 was the completion of a three-year baseline of data for greenhouse gas emissions from every rig in Noble's fleet. Greenhouse gases have the ability to absorb heat in the earth's atmosphere. Some of these gases occur naturally and others result from human activity. Diesel-powered engines used to provide power to our rigs are Noble's primary source of greenhouse gas emissions.

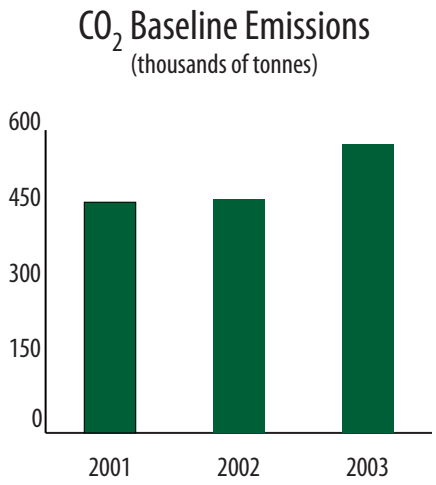
There is considerable discussion in the scientific community about the long-term effects of increased levels of emissions. Whatever the outcome of these discussions, Noble is committed to proactively managing the emission of greenhouse gases from our operations.

To create the baseline, Noble first conducted a pilot program aboard one of our rigs in the Gulf of Mexico. Next, we collected data on diesel consumption for every rig in the fleet for the years 2001-2003.

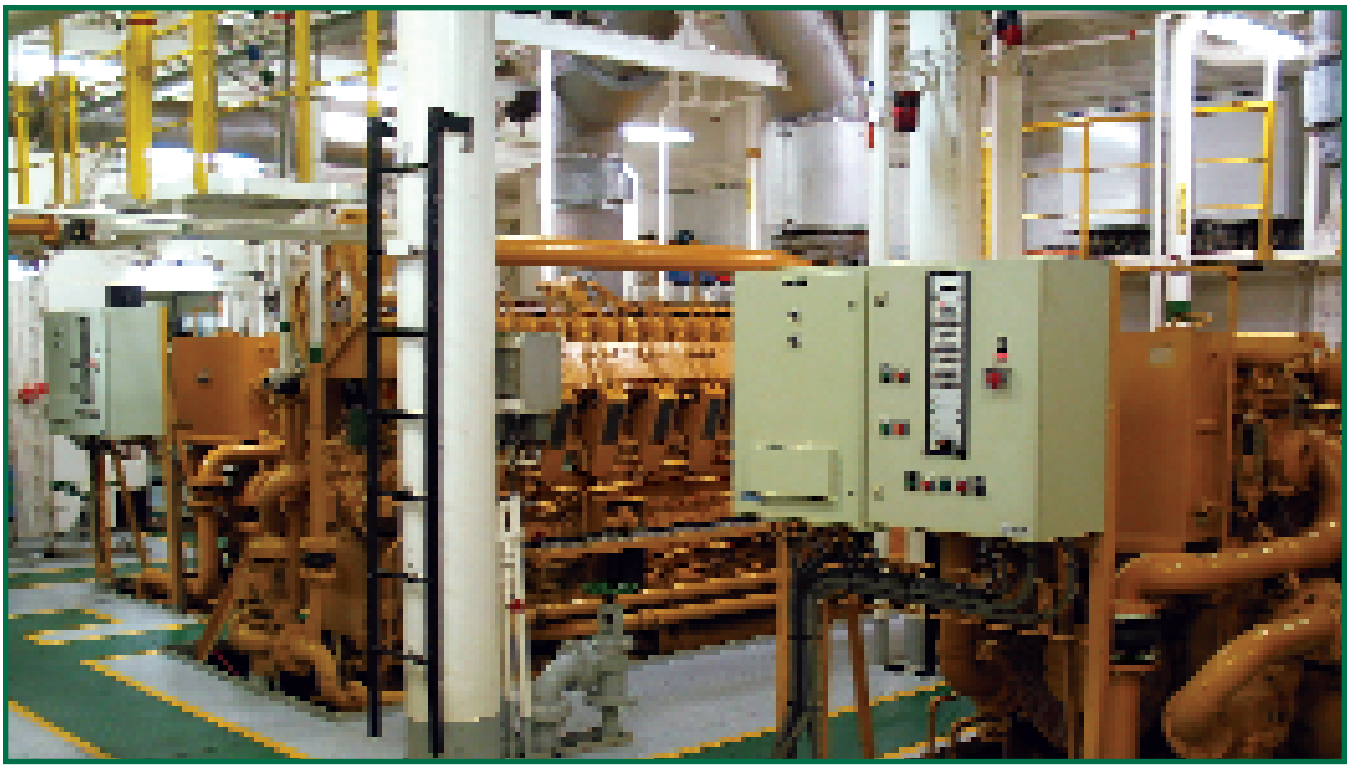
Using the industry-accepted SANGEA™ Emissions Estimation Software, developed by ChevronTexaco, we calculated the estimated greenhouse gas emissions resulting from our diesel consumption. By analyzing this data, Noble can pinpoint emissions for management and reduction strategies. Our main target is carbon dioxide, which is a by-product of diesel combustion.

While many oil and gas companies use the SANGEA™ software, Noble is the only drilling company that has used it to create a baseline for emissions. Upon learning about the SANGEA™ software, we contacted ChevronTexaco, evaluated the software and began using it proactively. By utilizing the same measurement tool as our clients, Noble supports the development of standard measurement and reporting practices for greenhouse gases across the industry.

The SANGEA™ software gave us the additional capability to develop a three-year baseline of the amount of diesel fuel Noble engines consume.



This data is helping us identify engines that will benefit from maintenance to improve their efficiency. Engines that run efficiently consume less oil and have lower emissions, improving both environmental performance and bottom line results for Noble and our clients.



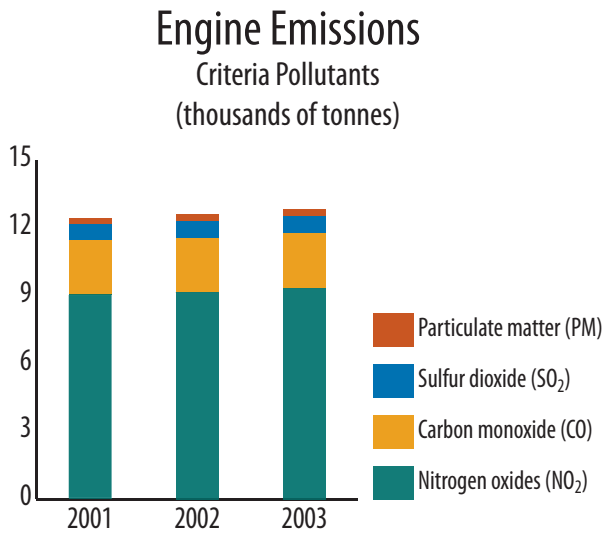
Noble uses diesel engines to generate power on our rigs. We are working on ways of maximizing engine efficiency while minimizing pollution.

Optimizing Engine Performance to Reduce Smog

Measuring greenhouse gas emissions is just one of the pollution prevention methods that Noble is pursuing. We also use a continuous emissions monitoring system (CEMS) aboard the *Noble Jim Thompson* in the Gulf of Mexico. This gas analyzer, commonly found on refinery stacks, allows us to create a baseline measure of actual emissions of nitrogen oxide, sulfur dioxide, carbon monoxide and total unburned hydrocarbons. These gases, known as criteria pollutants, contribute to urban smog and pollution.

The CEMS gives us real-time emission volumes for criteria pollutants. We can then experiment with engine timing, injector models and other specifications to determine the optimal running parameters to reduce emissions from our engines. Based on what we have learned by utilizing continuous emissions monitoring technology, Noble is testing different diesel injectors to identify the most effective model for maximizing efficiency and minimizing pollution.

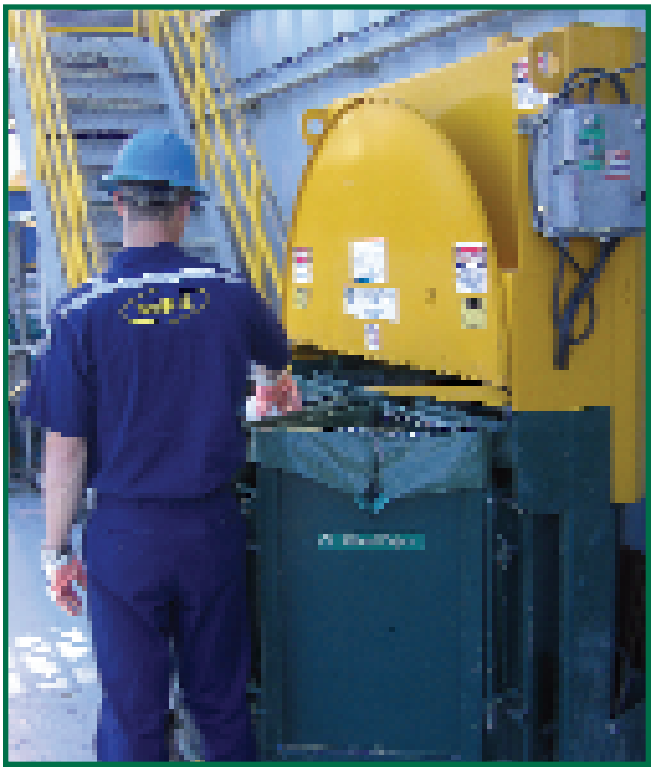
These initiatives help clean the air and reduce the use of non-renewable energy. In addition to cutting Noble's emissions to the air, they produce cost savings that contribute to our financial strength and long-term prospects.



Increasing our Recycling Volume

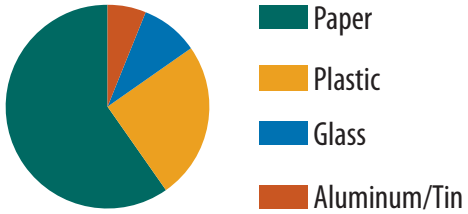
Since introducing recycling in our Gulf of Mexico Division in 2002, Noble rigs and locations have recycled more then one million pounds of waste materials worldwide. This includes more than 500,000 pounds of post consumer paper, plastics, metals and glass collected offshore in 2003. Our recycling program prevents water pollution and keeps waste out of landfills.

One of our goals in 2003 was to improve the segregation of recyclable materials in the GOM. Wastes can only be processed onshore if they're properly segregated and bagged offshore. We focused our employees' attention on this issue and were impressed that they properly separated and bagged all but five out of 2,132 bags of waste. We donate bagged waste from our Gulf of Mexico operations to The Arc of Iberia in New Iberia, Louisiana.



Noble is working with clients worldwide to expand our recycling efforts.

Post Consumer Recycling



Total Volume 2003
530,279 lbs.

In 2003, we began introducing the recycling program to rigs in Brazil. We are working with clients to expand the scope of our recycling capabilities in all of our areas of operation. We also plan to add wood to the materials we collect for recycling in 2004.

Achieving and Sustaining the Highest Standards

The first mobile offshore drilling unit in the world to receive ISO 14001 certification was the *Noble Lynda Bossler* in 1999. Noble continues to lead the industry in achieving this level of excellence. In 2003, 23 Noble rigs, shore base operations and facilities received ISO 14001 certification. At year-end 2003, 38 Noble assets and locations were ISO 14001 certified. This represents approximately half of our worldwide fleet.

In 2003, Noble became the first drilling contractor to have ISO 14001 certified rigs in the Middle East/India, Brazil and Mexico. The Gulf of Mexico completed the ISO 14001 certification of all its eligible assets during the year. In addition, nine rigs in the Europe Division upgraded their quality management certification from ISO 9001:1996 to ISO 9001:2000 in 2003.

Noble does not view the ISO 14001 designation as an end in itself. In fact, the certified assets are required to show ongoing improvement in environmental performance. Noble divisions with ISO 14001 certified rigs and locations are subject to third party review every six months to ensure they maintain the standards and practices they set to receive the initial certification and continuously improve their performance.

Once Noble divisions receive ISO 14001 certification, division staff members channel their energies into continuous improvement efforts and best practices. The process of achieving and maintaining ISO 14001 certification, applying the lessons learned and benefiting from the results has strengthened Noble's performance.

In 2004, ISO 14001 certification efforts will continue in the Middle East/India, Mexico and Brazil divisions and will begin for Noble's rigs and shore base operations in the West Africa Division.

Every Noble rig is equipped with spill response kits for response readiness.

Tracking Unplanned Discharges

Regulatory agencies issue permits for drilling operations to discharge specific amounts of accepted drilling fluids and other materials to the environment. Noble internally tracks and reports any unplanned discharges that exceed the permitted or allowable volumes, regardless of the material discharged and the permit limits. In 2003, we recorded 12 unplanned discharges worldwide, compared to eight such incidents in 2002. The increase is due in part to heightened employee awareness and better reporting.

The largest unplanned discharge in 2003 occurred in the Gulf of Mexico. It consisted of synthetic-based drilling fluid in an amount that exceeded the permitted level. We investigated the cause and installed additional protective devices to prevent future incidents.

Controlling Discharges and Spills

To more effectively control accidental spills and discharges, we have converted seven rigs to single-point discharge of deck runoff such as rainwater. With single-point discharge, all weather decks drain to one location, making the fluids easier to filter and clean before we discharge permitted amounts to the sea.

Providing single-point discharge is a voluntary improvement Noble is making that surpasses regulatory requirements of the International Convention for the Prevention of Pollution by Ships, also known as MARPOL. We are upgrading additional rigs to the single-point arrangement through the capital budgeting process over time.

Completing a job safety analysis prior to starting work prompts employees to consider potential hazards to human health and safety and the environment.

Reducing Halon Usage

Noble is proactively removing halon fire suppression gases from rigs across our fleet. The production and use of halon is either banned or restricted in many countries where Noble does business because it is one of the most destructive of all the ozone-depleting gases.

While some industries and companies continue to use halons until acceptable alternatives are required, Noble has a phased program to replace halons with environmentally friendly alternatives when upgrades or repairs are performed on our rigs. In this way, we maintain our life-saving capabilities while preventing harm to the earth's protective ozone layer.

Using Environmentally Friendly Products

Across our fleet, Noble is standardizing products and services that improve our efficiency and environmental performance. For example, in 2003 we switched to an environmentally friendly, yet more costly brand of lubricant that contains no heavy metals. The switch followed a study we conducted to determine the effects of the new lubricant on sea life that populate the habitat around the *Noble Lynda Bossler*. Based on the positive results of this study, we now use the environmentally friendly product aboard all of our rigs.

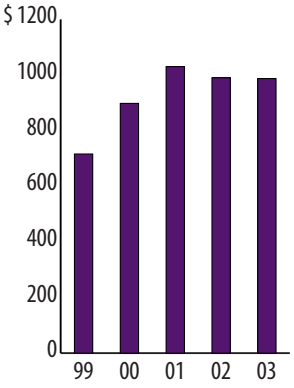
Financially, Noble consistently outperforms our peers in the drilling industry. Our financial strength gives Noble the means to support initiatives and programs to ensure the safety of our people, the efficiency of our equipment and the continued growth and sustainability of the Company.

Leading the Industry in Economic Performance

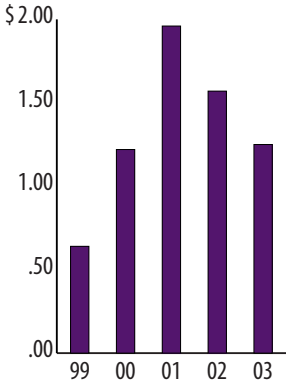
Noble's objective is to consistently make money in a highly cyclical business. We have successfully met this objective by building a premium fleet and providing quality service around the world.

In 2003, Noble posted our third best year with respect to net income, despite a relatively sluggish business environment, declining dayrates in some markets and significantly lower rig utilization rates in West Africa. The fourth quarter of 2003 was our 34th consecutive quarter of positive earnings.

Revenues
(in millions)



Earnings per Share
(diluted)



Compared to our peer group, we achieved the highest return on capital employed. For the fourth straight year, Noble posted the highest earnings per share in the sector. We led the sector in cash flow per share, while continuing to lead our peer group in fleet expansion. In 2003, Noble acquired two premium jackups and options to purchase two additional premium jackups.

Strong financial results like these are a primary reason that Noble can reinvest in the safety and efficiency of our people and operations, which in turn contributes to our economic performance. For example, through training programs, we have developed one of the safest workforces in the drilling industry, based on IADC data. As a result, we experienced reduced injury claims in 2003. We also went the entire year without a claim on our hull and machinery policy, reducing our overall insurance cost.

Building the Fleet Through Acquisitions and Upgrades

We employ a number of business strategies to sustain our financial strength and stability. For instance, Noble upgrades existing drilling assets and acquires individual assets in corporate transactions, rather than construct rigs from the ground up. It is a cost-effective way to build the fleet and substantially reduces Noble's financial risk. In 2003, we funded $194 million in fleet acquisitions and related upgrades.

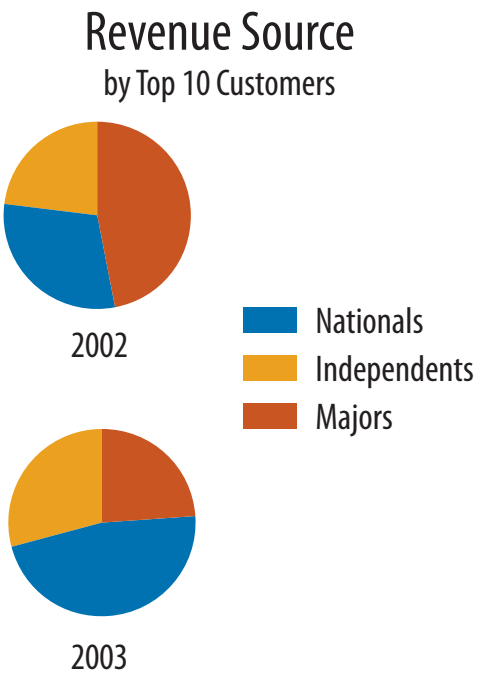
Since 1995, Noble has converted eight slot-type jackups to cantilever-type jackups. These conversions add value because cantilever units can be used on production platforms, making them suitable for long-term development programs and improving their utilization rate. Three units were converted to extended reach cantilevers (ERC™) capable of extending up to 70 feet over a platform. Additional leg lengths were installed, enabling the rigs to work in up to 390 feet of water.

In response to our clients deepwater exploration needs, Noble has converted six semi-submersibles for service in water depths of 6,000 feet and greater since 1996. Noble achieved these conversions at well below construction costs for new units. Noble plans to continue this fiscally conservative approach that builds our fleet cost-effectively while meeting our clients' needs.

Positioning the Fleet in High-Demand Markets

The geographic deployment of our fleet is a key to Noble's financial strength. Noble positions our rigs in proven geologic basins around the world where our clients are exploring for hydrocarbons.

In 2003, the utilization rate for Noble rigs increased markedly in two highly active markets, Mexico and the Middle East/India, which includes the Mediterranean Sea. With 14 rigs in the Middle East/India Division, Noble is the dominant drilling contractor in this region where liquefied natural gas and gas-to-liquids projects are boosting demand.



Noble is also working to increase the amount of work we perform for national oil companies, which control a majority of the world's oil reserves, spend consistently and have a long-term focus. In 2003, national oil companies were the source of 47% of our revenues, compared with 30% in 2002. Independent producers and major oil companies accounted for 29% and 24% of revenues in 2003, respectively.

A driller maintains focus on safe and efficient drilling operations.

Developing Technologies and Tools to Reduce Costs

By finding ways to help our customers operate more efficiently and cost-effectively, Noble improves opportunities to keep our drilling assets working. Noble is developing advanced technologies and tools to enable oil and gas operators to lower their drilling costs and greatly increase drilling performance.

One of our most important technology accomplishments in 2003 was the deployment of the first full string of proprietary lightweight aluminum alloy riser on the *Noble Leo Segerius* in Brazil. Because of its light weight, aluminum alloy riser reduces the weight of facilities and equipment used in deepwater operations, which ultimately reduces the cost of deepwater development.

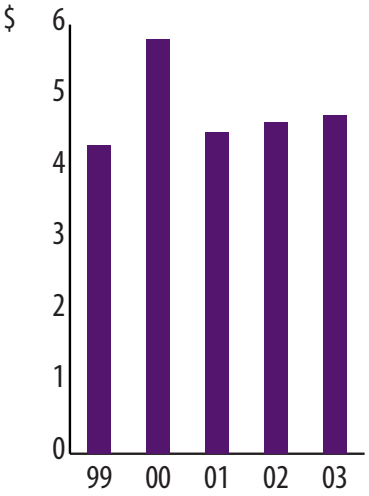
Noble drilled a number of wells in 2003 with the Well Director® rotary steerable tool. We acquired the tool in 2002 and since then, we have been performing upgrades to incorporate higher temperature specification electronics, more accurate sensors, more robust mechanical reliability and improved drilling data. We also introduced a prototype second generation tool, the ExpressDrill, in late 2003. Noble's rotary steerable tools enable operators to access reservoirs that only a few years ago were out of reach.

These and other technology successes in 2003 demonstrate Noble's commitment to maintaining our status as the most technologically advanced driller. Along with technology developments, Noble's conservative financial policies, cost-effective fleet expansion practices and strategic fleet deployment will continue to contribute to economic performance that sets the standard for the drilling industry.

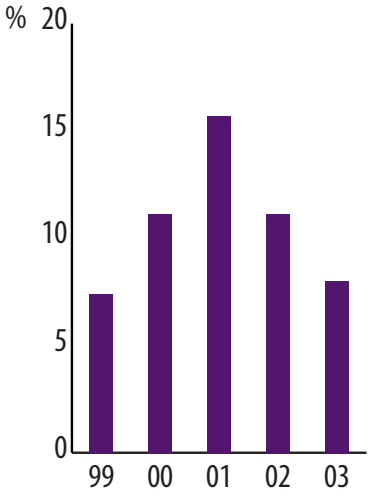
Financial Highlights

(In thousands, except per share amounts and ratios)	Year Ended December 31,		
	2003	2002	2001
Operating revenues	$ **987,380**	$ 990,248	$ 1,029,760
Operating income	**221,138**	283,557	384,287
Income before income taxes	**186,984**	243,325	348,472
Net income	**166,416**	209,503	262,922
Per share - diluted	**1.25**	1.57	1.96
Net cash provided by operating activities	**365,308**	445,364	451,046
Capital investments	**344,118**	521,125	191,269
Return on capital employed	**8%**	10%	13%
At year end:			
Total assets	**3,189,633**	3,065,714	2,750,740
Property and equipment, net	**2,625,866**	2,471,043	2,149,217
Total debt	**589,573**	670,139	605,561
Shareholder's equity	**2,178,425**	1,989,210	1,778,319
Book value per share	**16.27**	14.90	13.47
Current ratio	**1.73**	1.73	2.38

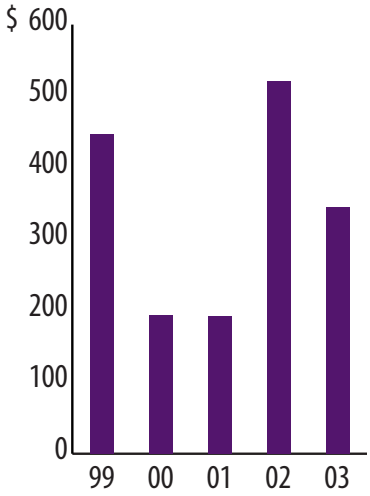
Market Cap at Year-End
(in billions)



Return on Equity
(before nonrecurring items)



Capital Investments
(in millions)



2003 Safety Statistics and Third Party Certifications

	ISO 14001	ISO 9001	ISM CODE	Days since last LTI	LTI Rate	TRIR	Hours Worked
Brazil Division	●		●	**58**	**0.15**	**1.17**	**1,363,093**
Noble Dick Favor (JU)			●	466	0.00	0.00	86,472
Noble Leo Segerius (DS)			●	650	0.00	2.73	293,452
Noble Muravlenko (DS)	●		●	738	0.00	0.68	291,996
Noble Paul Wolff (SS)	●		●	58	0.71	1.42	282,038
Noble Roger Eason (DS)			●	529	0.00	0.69	290,540
Canada Division	●	●		**36**	**1.18**	**5.32**	**338,132**
Hibernia M-71 (P)	●	●		1,681	0.00	5.52	145,024
Hibernia M-72 (P)	●	●		36	2.76	6.90	145,024
Europe Division	●	●		**41**	**0.10**	**0.51**	**1,952,028**
Kolskaya (JU)	●	●		1,208	0.00	0.00	185,940
Noble Al White (JU)	●	●		1,618	0.00	1.17	170,242
Noble Byron Welliver (JU)	●	●		547	0.00	0.00	159,480
Noble George Sauvageau (JU)	●	●		940	0.00	0.00	187,704
Noble Julie Robertson (JU)	●	●		982	0.00	0.00	188,404
Noble Lynda Bossler (JU)	●	●		1,101	0.00	0.00	169,860
Noble Piet van Ede (JU)	●	●		2,205	0.00	0.00	160,392
Noble Ronald Hoope (JU)	●	●		890	0.00	2.28	175,428
Noble Ton van Langeveld (SS)	●	●		1,457	0.00	0.00	228,152
Brae Alpha (P)		●		2,420	0.00	0.00	20,754
Brae Bravo (P)		●		41	5.15	10.29	38,864
East Brae (P)		●		1,849	0.00	0.00	14,902
Captain (P)		●		1,654	0.00	0.00	42,837
Tiffany (P)		●		904	0.00	0.00	9,168
Gulf of Mexico Division	●			**487**	**0.00**	**0.53**	**2,274,022**
Noble Amos Runner (SS)	●			1,075	0.00	0.84	237,536
Noble Bill Jennings (JU) ✢	●			1,508	0.00	2.83 ★	70,621
Noble Carl Norberg (JU)	●			1,617	0.00	0.00	117,171
Noble Eddie Paul (JU)	●			2,435	0.00	1.58	126,580
Noble Fri Rodli (S)				792	0.00	0.00	25,103
Noble Homer Ferrington (SS)	●			1,148	0.00	1.69	236,716
Noble Jim Thompson (SS)	●			937	0.00	0.00	258,884
Noble Joe Alford (S)	●			1,042	0.00	0.00	119,543
Noble Lester Pettus (S)	●			2,454	0.00	0.00	90,284
Noble Lorris Bouzigard (SS)	●			365	0.00	0.00	111,077
Noble Max Smith (SS)	●			2,661	0.00	0.89	234,557
Noble Paul Romano (SS)	●			487	0.00	0.85	234,138
Noble Tom Jobe (JU)	●			712	0.00	1.49	124,602

	ISO 14001	ISO 9001	ISM CODE	Days since last LTI	LTI Rate	TRIR	Hours Worked
Mexico Division	●		●	**2,088**	**0.00**	**0.94**	**427,109**
Noble Bill Jennings (JU)	●		●	1,508	0.00	0.00	23,166
Noble Earl Frederickson (JU)	●		●	887	0.00	4.77	41,944
Noble Gene Rosser (JU)			●	2,453	0.00	0.00	59,327
Noble John Sandifer (JU)			●	2,058	0.00	0.00	59,281
Noble Johnnie Hoffman (JU)			●	3,177	0.00	0.00	54,437
Noble Leonard Jones (JU)	●		●	787	0.00	0.00	43,030
Noble Lewis Dugger (JU)			●	2,645	0.00	0.00	56,419
Noble Sam Noble (JU)			●	2,632	0.00	3.72	53,735
Middle East/India Division	●			**290**	**0.09**	**0.73**	**2,186,832**
Noble Charles Copeland (JU)	●			2,060	0.00	0.00	194,986
Noble Charlie Yester (JU)				736	0.00	0.00	44,303
Noble Chuck Syring (JU)	●			2,749	0.00	0.98	203,996
Dhabi II (JU)				441	0.00	1.94	206,590
Noble Ed Holt (JU)				2,690	0.00	0.00	28,390
Noble Gene House (JU)				423	0.00	0.00	83,992
Noble George McLeod (JU)				1,322	0.00	0.00	204,400
Noble Gus Androes (JU)	●			1,305	0.00	0.00	208,781
Noble Jimmy Puckett (JU)	●			542	0.00	0.00	195,120
Noble Kenneth Delaney (JU)				290	0.97	3.87	206,590
Panon (JU)				945	0.00	0.98	203,254
Noble Roy Rhodes (JU)				433	0.00	0.00	193,450
West Africa Division				**99**	**0.16**	**0.49**	**1,217,620**
Noble Don Walker (JU)				595	0.00	0.00	163,234
Noble Ed Noble (JU)				2,513	0.00	0.00	98,706
Noble Lloyd Noble (JU)				99	1.00	1.00	200,654
Noble Percy Johns (JU)				1,809	0.00	0.00	137,164
Noble Roy Butler (JU)				1,188	0.00	1.95	205,632
Noble Tommy Craighead (JU)				1,689	0.00	0.00	236,986
Noble Corporation				**36**	**0.12**	**0.86**	**10,188,950**

Notes:
Hours Worked for division and Noble Corporation totals include subsidiaries and shore based locations.
✢ Rig moved from Gulf of Mexico Division to Mexico Division during 2003
★ Incident occurred while the rig was in the Gulf of Mexico Division

(DS) Drillship (JU) Independent Leg Jackup (P) Platform (S) Submersible (SS) Semisubmersible

Environmental, Recycling and Social Data

Environmental Data	2003	2002	2001
Carbon Dioxide (CO_2) *Tonnes*	470,578	461,688	455,972
Methane (CH_4) *Tonnes*	24	23	23
Nitrous Oxide (N_2O) *Tonnes*	2.3	2.3	2.3
Global Warming Potential (CO_2) *Tonnes CO_2 Equivalent*	471,796	462,883	457,152
Sulphur Dioxide (SO_2) *Tonnes*	743	729	720
Nitrogen Oxides (NO_2) *Tonnes*	9,324	9,148	9,035
Carbon Monoxide (CO) *Tonnes*	2,477	2,430	2,400
Particulate Matter (PM) *Tonnes*	291	286	282
Diesel Consumption *Gallons*	46,517,514	45,638,779	45,073,715
Energy *Million BTUs*	6,102,655	5,987,373	5,913,242
Unplanned Discharge Events	12	8	9

Recycling Data	2003	2002	2001
Oil and Lubes *Gallons*	352,039	379,722	N/A
Paper and Paper Products *Pounds*	316,128	211,980	N/A
Glass *Pounds*	48,550	37,669	N/A
Aluminum / Tin *Pounds*	33,049	12,324	N/A
Plastics *Pounds*	132,552	7,009	N/A
Metal *Pounds*	1,196,377	0	N/A

Social (Health & Safety) Data	2003	2002	2001
Hours Worked	10,188,950	10,508,962	10,015,385
Recordable Incidents	44	63	78
Medical Treatment	22	22	29
Restricted Work Case	16	32	33
Lost Time Injury	6	9	15
Fatalities	0	0	1
Lost Time Incident Rate	0.12	0.17	0.30
Total Recordable Incident Rate	0.86	1.20	1.56
First Aid Incidents	285	293	310

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