NABORS INDUSTRIES LTD.

2010 Annual Report

UNLOCKING VALUE IN EXPANDING HORIZONS

Dear Shareholders

A robust fourth quarter provided the strongest evidence yet that we reached the bottom of the trough in 2010 and supports our conviction that we will see significant improvement in our consolidated results in 2011 and beyond. Earnings per share from continuing operations stood at $1.03 for the year, excluding certain items, with operating income of $655.4 million. Both of these numbers are likely to increase substantially in the coming year.

Our North American land businesses were the primary contributors to these results, achieved despite an extremely weak natural gas market which has historically provided as much as 70 percent of our operating cash flow. Nabors Canada was up significantly after a prior year loss and Nabors Well Services also showed significant improvement during the year. While it was down slightly year over year, our U.S. Lower 48 land drilling operation led the way by finishing the year on a strong note. This unit rapidly adapted to changes in drilling activity by relocating rigs from declining gas areas to robust, oil-directed areas where pricing and utilization are higher. The quality and capabilities of its new rig designs were evident in the award of 26 new-build contracts in 2010, as well as three economically equivalent SCR upgrades, and we regularly field inquiries for additional AC rigs. This unit continues to innovate with the introduction of new styles of rigs engineered for specific environments, like our B-series rigs in the Bakken and our soon-to-be deployed S-series rigs in the Marcellus.

The strong performance in North America is the result of the extraordinary success that we have achieved in the emerging U.S. oil and gas shales, a resource base long known, but heretofore thought to be non-commercial. The keys to unlocking these unconventional resources have been rapid advances in hydraulic fracturing and, to a lesser extent, improvements in horizontal drilling technology. These are being applied most successfully in longer horizontal wells where the wellbore is subdivided into multiple fracturing sections referred to as stages. As this technology advances further, the average number of stages per well continues to grow, requiring more pressure pumping capacity and generating more revenue per well. The resulting hydraulic fracturing market boom validates the wisdom and the timeliness of the Superior Well Services acquisition, a big step in moving the company from a drilling company to a drilling and completion company.

Superior's contributions are obvious and immediate. But less obvious is the forward growth in operating income this previously capital-constrained company is driving utilizing Nabors' financial resources. These drivers include a 70 percent expansion in Superior's pumping capacity, a significant addition to Nabors Well Services' fluids management division, and the exploitation of emerging opportunities in international markets made possible and expedited by Nabors' global infrastructure.

The strong performance by our North American units was partially offset by our International unit where year-over-year results were down $111 million, divided almost equally between two principal markets, Saudi Arabia and Mexico. Less significant was an estimated $40 million reduction in anticipated income from our U.S. Offshore unit resulting from the blowout in the Gulf of Mexico and the subsequent drilling moratorium and delays in permitting. The year was not without notable achievements for this unit, however, as it secured awards for two 4,000 HP state-of-the-art deepwater platform drilling rigs that are expected to deploy at the end of 2012.

Our financial position and access to low-cost capital remains stable as evidenced by the placement of $700 million in ten-year notes at five percent interest, primarily to finance the acquisition of Superior. When combined with prospective operating cash flow, the proceeds from the sale of our Colombian E&P properties and the use of our credit lines, we anticipate having sufficient liquidity to redeem the remaining $1.4 billion in convertible notes due May 15 and still fund an ambitious capital expenditure program.

Safety remains a priority at Nabors and 2010 was no exception. We continue to believe that zero incidents is achievable and we took steps during the year to move closer to that number. Of note was the implementation of our Mission to Zero campaign, a corporate-wide initiative that involves every level of management in the safety process. We also introduced numerous other programs tailored to the specific needs of our various businesses. Our safety initiatives in recent years have succeeded in reducing our global incident rate by 54 percent since 2005.

We are very optimistic about the prospects for 2011 with strong growth anticipated in all of our North American businesses, other than Alaska, and a prospective second half turnaround internationally. We expect each quarter to improve sequentially and top the corresponding quarter in 2010, even though our consolidated results during the first half will be impacted by approximately $90 million in International income reductions from three non-recurring events: lower market rates on three jack-up renewals, scheduled downtime for regulatory inspections on four jack-ups and approximately 360 days of downtime to accomplish upgrades on six land rigs in Saudi Arabia in preparation for long-term gas drilling contracts. Despite the magnitude of these items, we still expect International income in 2011 to approximate 85 percent of 2010, with a prospective fourth quarter annualized run rate that far exceeds that result as rig activity increases.

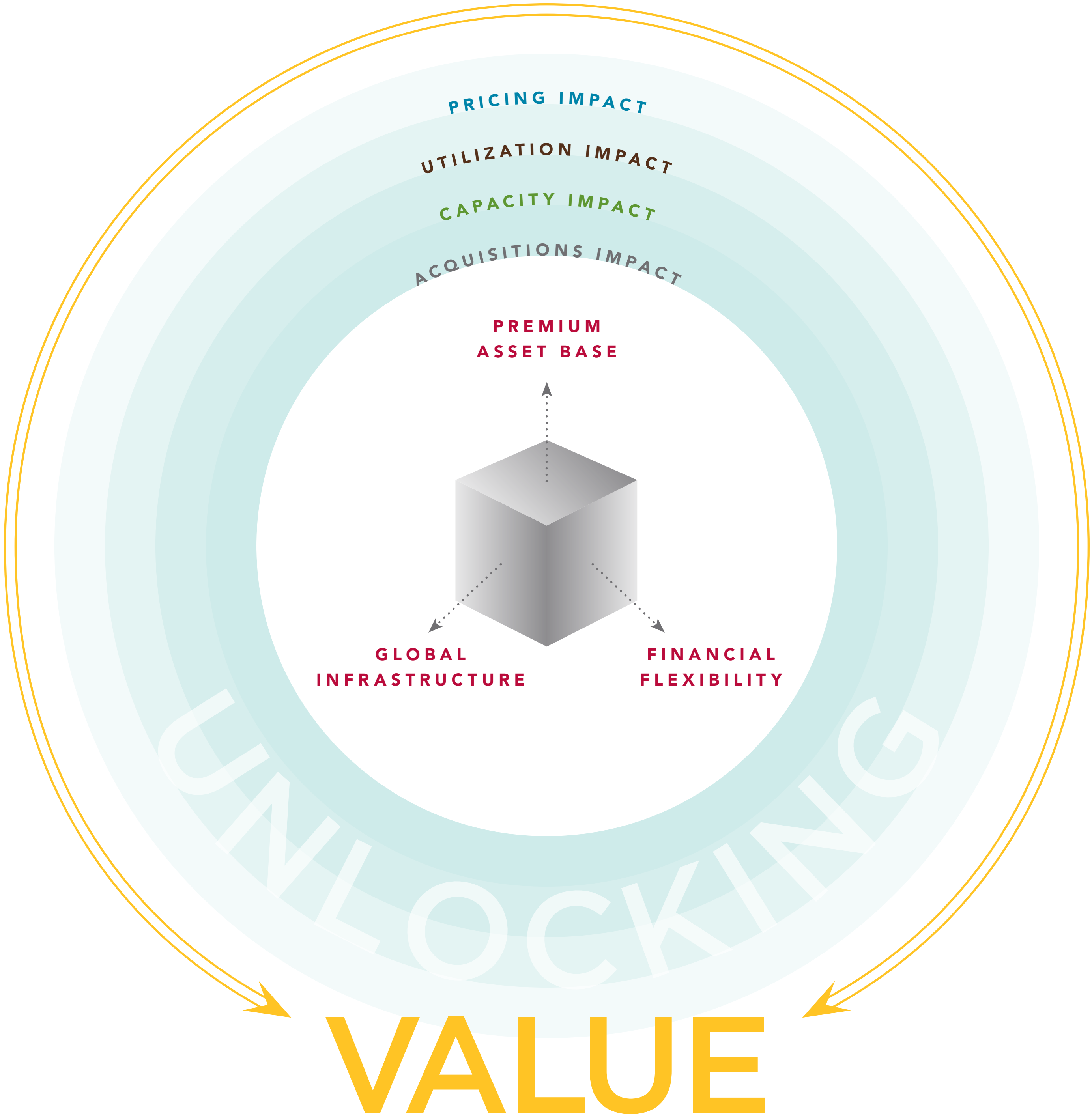
Our larger North American businesses will again be the primary drivers of our 2011 results, specifically our U.S. Pressure Pumping unit along with our U.S. Lower 48 and Canadian drilling and workover businesses. Strong pricing and additions to capacity will fuel both our U.S. Pressure Pumping and our U.S. Lower 48 land drilling segments. Nabors Well Services is poised to double its results through sustained high oil prices and the synergies inherent in the Superior and Energy Contractors acquisitions. Nabors Canada is also likely to improve significantly as strong oil prices couple with stringent cost cutting and an improving regulatory environment.

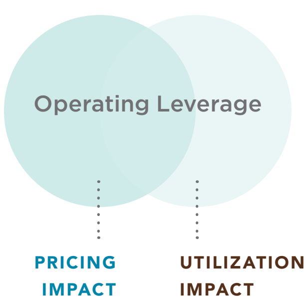
In summary, let me say that not only are we well positioned for the continuing upturn in our markets, we are also fully prepared to make the capital investment required to equip the various components of the company to capitalize on what we believe is an expanding field of opportunities. These investment opportunities and the tremendous operating leverage we enjoy in response to pricing and volume improvements should drive much higher results in the future. As they do, we believe you will have an even better appreciation for the value of your investment in Nabors.

Sincerely,

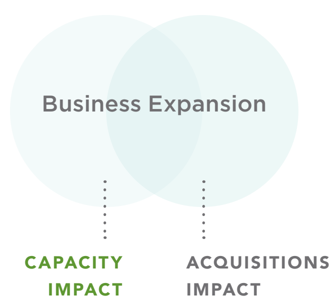
E. M. Isenberg

Eugene M. Isenberg
Chairman and Chief Executive Officer





Nabors is uniquely qualified to capitalize on today's improving market. No other drilling company possesses the magnitude of premium assets in combination with financial flexibility and an unparalleled global infrastructure. This allows us to quickly expand and deploy capacity through organic growth or acquisition and to benefit disproportionately from increases in pricing and utilization.



5% = 30%

VALUE PRICING IMPACT

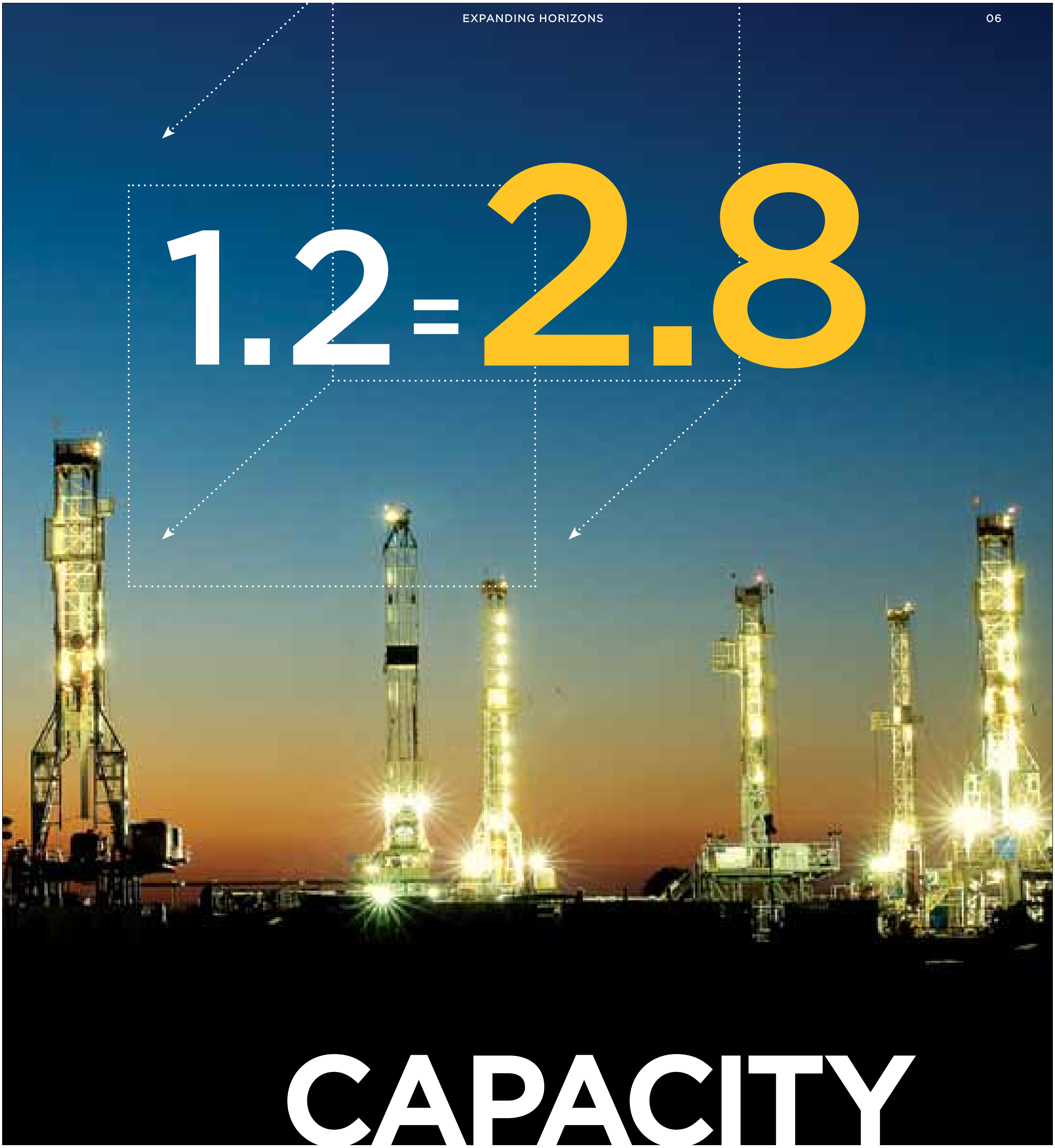
Nabors enjoys an extraordinary amount of pricing leverage, not only across its rig fleet, but in a variety of other assets. **That's why based on fourth quarter results, a five percent increase in pricing applied across our entire asset base would net a 30 percent increase in operating income.**

UTILIZATION

IMPACT

An increase in utilization impacts Nabors like few other companies. The cost of putting incremental rigs and equipment to work is a fraction of their value so a small increase pays big dividends. **For instance, based on fourth quarter results, a five percent increase in utilization would yield a 15 percent increase in operating income.**

VALUE

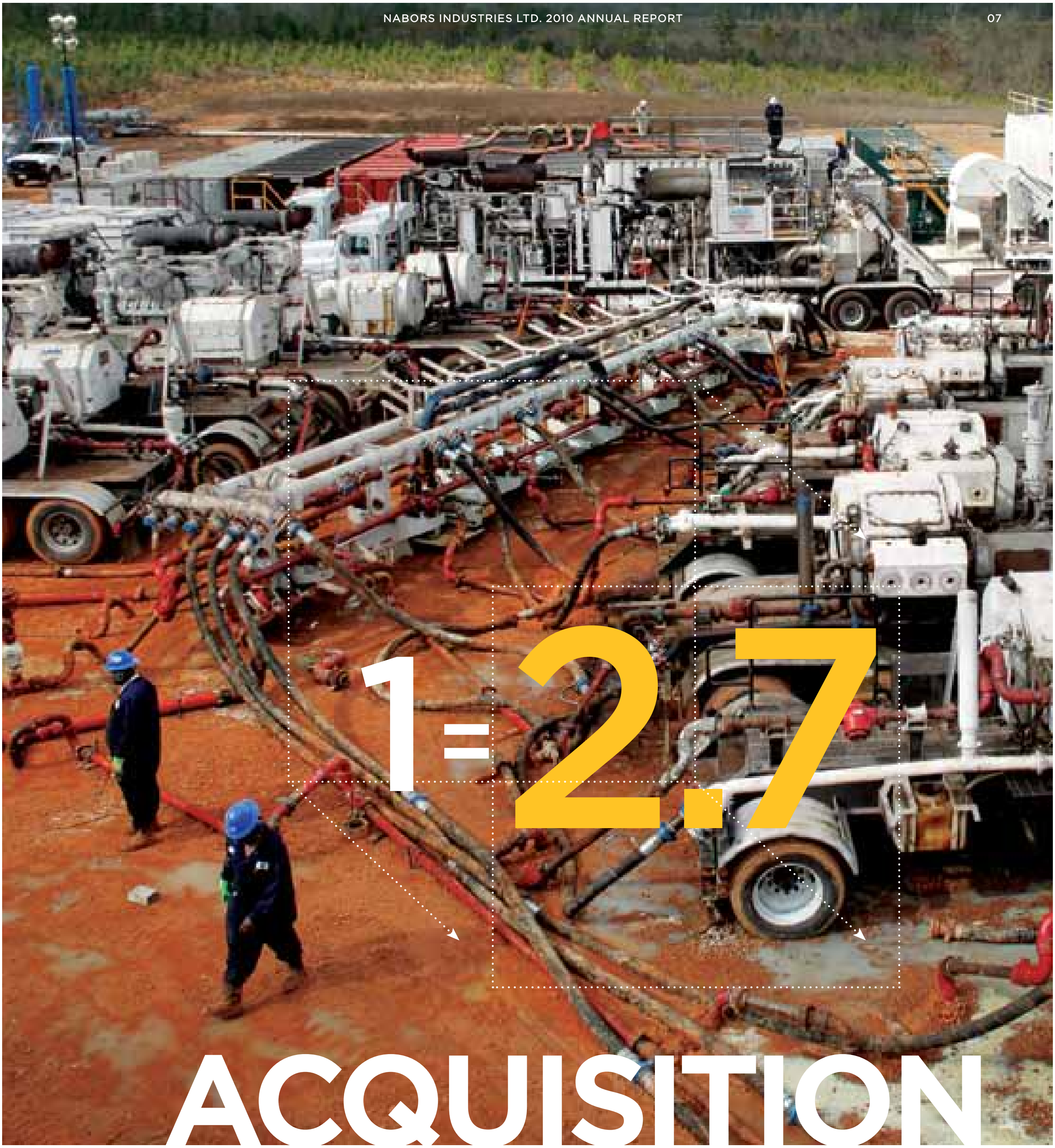


CAPACITY

IMPACT

VALUE

Our strong financial position combined with a multitude of business lines across a broad global spectrum generates a variety of opportunities to add incremental capacity at attractive returns. **For example, our planned 2011 growth-directed capital investments amount to $1.2 billion and are expected to yield a pre-tax cash payout in roughly 2.8 years. This equates to a return on average capital employed of approximately 20 percent.**

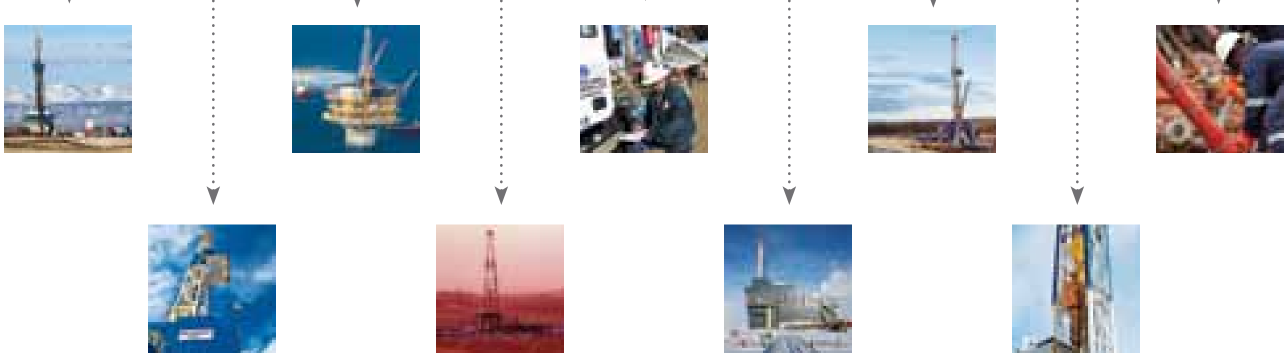


ACQUISITION IMPACT VALUE

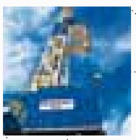
A substantial portion of Nabors' growth has occurred via acquisition, with nearly 50 transactions in the 24 years under current management. 2010 again provided unique opportunities to acquire new business lines and accelerate our expansion into strategic areas. **The acquisitions completed during the year are expected to yield pre-tax cash payouts in approximately 2.7 years. This equates to a return on average capital employed of approximately 18 percent.**

UNPARALLELED EPS IMPACT

Clearly, Nabors possesses multiple vehicles through which we can leverage our business. When applied across all of our major operating units, the impact on our earnings is unmatched.



Operating Units



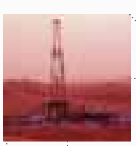
U.S. Land Drilling

Results for U.S. Land Drilling increased throughout the year and culminated with a fourth quarter annualized run rate that bodes well for 2011. This momentum resulted from a ramp-up in drilling in oil- and liquids-rich areas which more than offset a decline in dry gas areas. In response to this ongoing trend, this unit continued to relocate rigs from weaker dry gas regions to the preeminent oil plays, most notably the Bakken where Nabors is the dominant player with more than 40 rigs. By year end, this unit's working rig count had climbed from 138 to 185.

Our new rigs continue to set drilling records, and demand for them remains strong, as evidenced by our securing of long-term contracts for 26 new rigs and three economically equivalent upgrades. We are also upgrading much of the remainder of our fleet through the application of exclusive and proprietary technology developed by sister company Canrig – technology that allows these rigs to more closely replicate the performance of new AC rigs. The addition of ROCKIT® technology is improving rate of penetration during directional drilling while the DRILLSMART™ automatic driller is improving rate of penetration in the vertical section. Another technological advancement, jointly developed with a major customer, is reducing sticking problems, thus improving well bore stability and contributing to lower drilling costs.

Safety improved in this unit with the total recordable incident rate dropping from 1.94 to 1.69 even as man hours increased from 9.4 million to 12.5 million. The most notable contributor to this improvement was the initiation of peer review, a new program requiring operating managers in one area to evaluate safety performance of other areas.

Nabors Drilling USA expects to see further improvement in results in 2011 despite weak gas prices. Primary drivers are the continued redeployment of rigs into the oil- and liquids-rich shales and the rollout of new rigs, some of which were designed for specific applications in certain areas. Our new B-series rig is ideal for the Bakken Shale and will continue to be deployed there on a large scale. We are also developing a new S-series rig for the Marcellus Shale that addresses the weight restrictions in that area, and we are looking at a new pad design that more easily accommodates simultaneous operations.



International

A strong fourth quarter supports our conviction that we reached the bottom of the current cycle in our International unit during 2010 and will see steadily improving results going forward. However, funding issues in Mexico, delays in rig contract renewals in Saudi Arabia and generally slower activity in other key markets combined to drive down results for the year. These drivers were partially offset by stringent cost reduction efforts and incremental rig deployments in several markets.

The total recordable incident rate remained low despite an increase in man hours worked. This unit also rolled out its Hands On safety initiative which is significantly reducing hand and finger injuries, historically the most common incidents reported.

We anticipate increased rig utilization in 2011, but approximately $90 million in first and second quarter expenses will result in a year that is slightly below 2010. These expenses are the result of coincident downtime for four jack-ups due to scheduled dry docking and regulatory upgrades and for six land rigs to upgrade for gas drilling. The repricing of three of these jack-ups at lower market rates is also contributing to the decline.

Expansion into new markets will accelerate in 2011, primarily Iraq where as many as 10 incremental rigs are expected to deploy. Rigs will also return to work in many venues, with incremental rig deployments in Gabon, Algeria, Papua New Guinea and offshore India.

To streamline the organization and move it closer to key markets and customers, this unit is relocating its operational headquarters along with key members of its management team to Dubai.

Nabors Drilling International continues to work with sister company Canrig to deploy proprietary technologies to enhance the performance and efficiency of our rigs. Those include ROCKIT® systems, which improve rate of penetration during directional drilling, and equipment condition monitoring, which reduces fuel costs and improves maintenance. This unit is also collaborating with Ryan and Superior to provide directional drilling and pressure pumping services in international markets.

Superior Well Services

Although we acquired Superior Well Services late in the third quarter, it rapidly became a valued and integral part of Nabors and still contributed significantly to results. Fourth quarter operating income of approximately $55 million was a company record in spite of the seasonally low December. A major ramp-up in horizontal drilling, particularly in the new oil shales, led to increased activity throughout the year and a shortage of pumping equipment fueled an improved pricing environment.

Superior continues to enhance its reputation as an innovator in the industry. The company recently won both Hart Energy *E&P* Magazine's Meritorious Award for Engineering Excellence and *World Oil* Magazine's Best-In-Class recognition for its Gamma Frac System, a fluid that does not break down when exposed to salt.

Superior is already benefitting from exposure to the Nabors culture of safety. New gloves and standardized footwear are being tested and should quickly contribute to fewer hand and foot injuries, leading to an improved safety record.

The outlook for 2011 is for another significant improvement in results as pumping services remain in short supply. The integration with Nabors has allowed Superior to expand pumping capacity by approximately 80 percent to better participate in this growing market. The first of the new crews will commence operations in March, with one added each month through the end of the year.

Superior is expanding into a new service line with the addition of 12 coiled tubing units that will deliver in 2011 and 2012. The development of drillable plugs for use in multi-stage fracturing of horizontal wells should also contribute to results.

Superior continues to look at ways to improve fracturing efficiency with a goal of increasing the number of stages that can be completed in a given period of time. The company is also ramping up its safety and training programs and improving the way it services high-tech equipment on location, thereby reducing downtime. Superior will also leverage the Nabors global footprint to expand more rapidly into new markets domestically, along with selected international markets, and will also benefit from synergies with Nabors Well Services and Nabors Drilling USA.

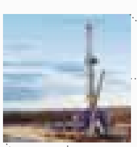
Alaska

Results in Alaska were down slightly, although much better than anticipated due to stringent cost reductions, better rig utilization and numerous camp rentals in support of summer construction efforts.

This unit's safety record was excellent with a year-end recordable rate of .98, down from 1.65 the prior year. The reduction was driven primarily by the implementation of the company-wide Mission to Zero program, which is extending the Nabors safety culture to the lowest levels.

The outlook for 2011 is for a continuing and significant decline in operating income as several projects have or will soon wind down. However, drilling activities should improve modestly in the second half and could be further bolstered if proposed streamlining of the tax regime is enacted by the state legislature.

Longer term, high oil prices should fuel the eventual restoration of drilling activity, including the likely development of the high viscosity reservoirs that are abundant on the North Slope. Meanwhile, the success of our proprietary coiled tubing technology continues to generate interest and could result in additional units in the next few years.



Canada

Results were up substantially in 2010 as Canada mirrored its U.S. counterpart and began relocating rigs from gas-prone areas into areas characterized by the presence of oil- and liquids-rich natural gas.

This unit continued to focus on safety, an area made even more critical given the number of new employees entering the industry in response to the increase in drilling and workover activity. Enhancements included adding an extra crew member on service rigs and extending the length of our safety orientation and training program.

The outlook for 2011 is for a substantial improvement in operating income driven by continuing increases in both drilling and workover activity.

This unit is responding by upgrading existing rigs and by constructing two new drilling rigs and two new service rigs, both with slant-hole capability.

A reduction in royalties by the Alberta government has fueled near-record land sales, a harbinger of even further increases in drilling. Meanwhile, this unit is exploring opportunities to develop the hydraulic fracturing business through its sister company, Superior Well Services.

Nabors Canada continues to invest in new technology. This includes RCCD, a technology which reduces well bore damage in pressure-sensitive areas and for which we have the exclusive license.

U.S. Offshore

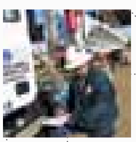
Results for our Offshore unit were down in 2010 as the blowout in the Gulf of Mexico and the subsequent drilling moratorium severely restricted activity. In order to reduce costs and preserve skilled manpower, this unit transferred over 100 employees to Nabors Drilling USA where there was a critical shortage of personnel to crew an increasing number of active rigs.

The year was highlighted by the signing of two contracts to build two 4,000 HP state-of-the-art platform drilling rigs for major operators in the Gulf of Mexico. One will be owned and operated by Nabors on a long-term contract with income commencing at the end of 2012. The second will be designed, constructed and operated by Nabors, but owned by the customer. Nabors will see some contribution to results from this rig in the first quarter of 2011 since payments are made on a percentage-completion basis.

This unit continued to improve on its remarkable safety record, completing its third year in a row without a lost-time incident.

The forecast for 2011 is for a substantial improvement in results, although the outlook is still uncertain. Four small rigs are expected to commence operations in the first quarter now that shallow water workover permits are more readily available. A recent government mandate to accelerate the plugging and abandonment of some 3,500 old wells in the Gulf of Mexico is also benefitting this unit.

Our current expectation is that the deepwater rig market is unlikely to improve before the second half as federal guidelines for drilling continue to be refined. In the meantime, this unit has begun construction of a new 1,500 HP posted barge rig that is ideal for certain shallow water conditions and should be a significant contributor to results as the market improves. Meanwhile, barge rig 301 is being rigged up for deployment by our International unit on a project in Gabon.



U.S. Land Well-Servicing

2010 marked the beginning of what we think will be steady improvement in our Well-Servicing unit as high oil prices fueled increases in both pricing and utilization for our well-servicing fleet.

Two strategic moves further improved results in this unit and positioned the company for even better performance in the years ahead. The Superior Well Services acquisition provides significant opportunities to expand the fluids management and salt water disposal segments of this unit's business. This unit completed the acquisition of Energy Contractors at year end which, although it did not contribute to results in 2010, gives the company a significant presence in the increasingly important Marcellus Shale while adding excavation and rig-moving product lines. The management team for the newly acquired assets will remain with Nabors and be responsible for the Northeast, giving this unit much needed experience that will accelerate Nabors' growth in this very promising region.

Nabors Well Services introduced new technology in 2010 designed to enhance the marketability of our rig fleet. The RIGWATCH® system for service rigs is being added to our Millennium rigs, giving the company a substantial competitive advantage, particularly in international markets.

A new safety initiative was implemented in 2010 designed to drive our total recordable incident rate below 1.0 even as man hours increased. The Time Out program empowers employees to stop any unsafe action at any time.

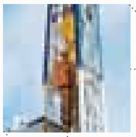
This unit is forecasting a large improvement in operating income in 2011 driven primarily by strong growth in rig utilization and fluid services, most notably in the shale plays. Nabors' historical presence in these areas gives us a substantial advantage and the wheel-mounted nature of our rigs simplifies redeployment from less active areas. We are also converting our Millennium 5C rigs to drill surface hole for Nabors Drilling USA customers and we are providing equipment and services to Nabors' Oil and Gas operations. A renewed emphasis on plugging and abandoning wells should also contribute to this unit's results.

Oil + Gas

We continued to grow this unit's long-term potential during 2010. Our U.S. E&P joint venture, NFR Energy (NFR), increased their proved reserves from 1.0 Tcfe to 1.2 Tcfe and also acquired additional acreage holdings. We plan to eventually sell down our interest in this company when market conditions are more conducive.

In 2011, we expect to complete the sale of certain Colombian assets sometime during the second quarter at a very attractive return on investment. We have postponed plans to monetize our dry gas assets in the British Columbia shales and our interest in the NFR joint venture until the gas pricing environment is more conducive to a sale.

Other Operating Segments



Canrig

This unit achieved a more than 50 percent increase in operating income in 2010, largely driven by a significant increase in third-party capital equipment sales. Services and Rentals was also a major contributor as income from our ROCKIT® technology almost tripled.

Canrig absorbed its sister company, Academy Services in Canada, consolidating all manufacturing operations into a single entity for greater efficiency. This unit also rolled out its innovative SUREGRIP™ casing running tool in 2010 and introduced ROCKIT® PILOT™ and ROCKIT® HEADS UP DISPLAY,™ both enhancements to our ROCKIT® technology that enable more efficient directional drilling control from the surface, utilizing our proprietary top drive software.

Canrig's total recordable incident rate remained below 1.0 during the year, but this unit took steps to further improve performance and continue the corporate-wide Mission to Zero safety program. New safety initiatives now include an increased emphasis on advanced safety audits and a company-wide incentive rewarding projects that improve safety.

This unit expects to see a significant increase in operating income in 2011 again driven by an increase in third-party equipment sales, particularly in international markets, and the continued expansion of the aforementioned ROCKIT® technology in the various shale plays where it is replacing more expensive rotary steerables in drilling applications. Canrig's ability to work in partnership with our International unit should also result in more rapid penetration of international markets in a cost-effective manner since the two will share existing facilities and infrastructure.

Ryan Energy Technologies

Results for Ryan were up for the year as activity and pricing improved in both the U.S. and Canada on the strength of a steadily increasing number of directional wells. The company also expanded into new geographic areas, most notably the oil-rich Niobrara Shale in the Rocky Mountains.

New technology continued to improve Ryan's position in a very competitive marketplace. The company introduced the next generation of EM Telemetry designed to improve drilling efficiency by delivering survey data more rapidly. A new mud motor design was also deployed that is capable of drilling the curved and lateral sections of a well in one run, significantly reducing costs.

Safety remained a strong point for this unit with no lost-time accidents reported for the second year in a row.

The outlook for 2011 is strong with this unit's Canadian operation having drilled more wells in the first quarter than ever before. A significant increase in directional wells is again projected and Ryan is opening new offices in Texas' Permian Basin and in Pennsylvania's Marcellus Shale to better service the increased demand there. Ryan is also using Nabors' global infrastructure to expand internationally.

Ryan continues to test new technology in tandem with other Nabors units, particularly the deployment of Canrig's ROCKIT® PILOT™ software on selected Nabors rigs as a means of improving efficiency while slide drilling.

FINANCIAL HIGHLIGHTS

Operating Data

(In thousands, except per share amounts and ratio data)

Year Ended December 31,	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating revenues and Earnings from unconsolidated affiliates	$ 4,207,892	$ 3,527,986	$ 5,314,994	$ 4,959,728	$ 4,727,813	$ 3,400,143	$ 2,355,628	$ 1,824,578	$ 1,415,973
Depreciation and amortization, and depletion	$ 782,196	$ 676,517	$ 636,675	$ 500,573	$ 403,937	$ 331,948	$ 293,517	$ 228,440	$ 187,654
Income (loss) from continuing operations, net of tax	$ 106,110	$ (28,268)	$ 521,594	$ 833,520	$ 950,709	$ 640,007	$ 301,212	$ 187,708	$ 115,784
Income (loss) from discontinued operations, net of tax	$ (11,330)	$ (57,620)	$ (41,930)	$ 31,762	$ 24,927	$ 10,413	$ 1,489	$ 4,520	$ 5,705
Net income (loss) attributable to Nabors	$ 94,695	$ (85,546)	$ 475,737	$ 865,702	$ 973,722	$ 648,695	$ 302,457	$ 192,228	$ 121,489
Earnings per share: Diluted from continuing operations	$ 0.37	$ (0.10)	$ 1.80	$ 2.97	$ 3.16	$ 1.97	$ 0.96	$ 0.61	$ 0.39
Diluted from discontinued operations	$ (0.04)	$ (0.20)	$ (0.15)	$ 0.11	$ 0.08	$ 0.03	$ –	$ 0.01	$ 0.01
Total diluted	$ 0.33	$ (0.30)	$ 1.65	$ 3.00	$ 3.24	$ 2.00	$ 0.96	$ 0.62	$ 0.40
Weighted-average number of diluted common shares outstanding	289,996	283,326	288,236	288,226	300,677	323,712	328,060	313,794	299,993
Capital expenditures and acquisitions of business	$ 1,878,063	$ 990,287	$ 1,578,241	$ 1,945,932	$ 2,006,286	$ 1,003,269	$ 544,429	$ 353,138	$ 702,843
Interest coverage ratio from continuing operations	7.0:1	6.3:1	21.0:1	32.6:1	38.2:1	25.6:1	12.9:1	6.1:1	5.2:1

FINANCIAL HIGHLIGHTS

Balance Sheet Data

(In thousands, except ratio data)

Year Ended December 31,	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cash and investments	$ 841,490	$ 1,191,733	$ 826,063	$ 1,179,639	$ 1,653,285	$ 1,646,327	$ 1,411,047	$ 1,579,090	$ 1,345,799
Working capital	$ 458,550	$ 1,568,042	$ 1,037,734	$ 719,674	$ 1,650,496	$ 1,264,852	$ 821,120	$ 1,529,691	$ 1,077,602
Property, plant and equipment, net	$ 7,815,419	$ 7,646,050	$ 7,331,959	$ 6,669,013	$ 5,423,729	$ 3,886,924	$ 3,275,495	$ 2,990,792	$ 2,801,067
Total assets	$ 11,646,569	$ 10,644,690	$ 10,517,899	$ 10,139,783	$ 9,155,931	$ 7,230,407	$ 5,862,609	$ 5,602,692	$ 5,063,872
Long-term debt	$ 3,064,126	$ 3,940,605	$ 3,600,533	$ 2,894,659	$ 3,457,675	$ 1,251,751	$ 1,201,686	$ 1,985,553	$ 1,614,656
Shareholders' equity	$ 5,328,162	$ 5,167,656	$ 4,904,106	$ 4,801,579	$ 3,889,100	$ 3,758,140	$ 2,929,393	$ 2,490,275	$ 2,158,455
Funded debt to capital ratio:									
Gross	0.42:1	0.41:1	0.41:1	0.39:1	0.43:1	0.32:1	0.38:1	0.45:1	0.46:1
Net	0.37:1	0.33:1	0.35:1	0.30:1	0.28:1	0.08:1	0.15:1	0.20:1	0.23:1

Geographic Distribution of Revenues and Assets

(In thousands)

Year Ended December 31,	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating revenues and Earnings from unconsolidated affiliates:									
United States	$ 2,633,055	$ 1,802,140	$ 3,306,064	$ 3,189,230	$ 3,141,299	$ 2,230,614	$ 1,462,622	$ 1,086,664	$ 947,258
Outside the U.S.	1,574,837	1,725,846	2,008,930	1,767,342	1,586,535	1,169,529	893,006	737,914	468,715
	$ 4,207,892	$ 3,527,986	$ 5,314,994	$ 4,956,572	$ 4,727,834	$ 3,400,143	$ 2,355,628	$ 1,824,578	$ 1,415,973

As of December 31,	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total assets:									
United States	$ 9,149,558	$ 7,497,298	$ 7,503,874	$ 5,789,199	$ 5,587,834	$ 4,581,307	$ 3,788,180	$ 3,641,185	$ 3,569,657
Outside the U.S.	2,497,011	3,147,392	3,014,025	4,350,584	3,568,097	2,649,100	2,074,429	1,961,507	1,494,215
	$ 11,646,569	$ 10,644,690	$ 10,517,899	$ 10,139,783	$ 9,155,931	$ 7,230,407	$ 5,862,609	$ 5,602,692	$ 5,063,872

FLEET

Land Drilling Fleet

Actively Marketed Rigs Only

	< 1,000 HP			1,000 – 1,399 HP			1,400 – 1,999 HP			> 2,000 HP			TOTAL		
	ELEC.	MECH.	TOTAL	ELEC.	MECH.	TOTAL	ELEC.	MECH.	TOTAL	ELEC.	MECH.	TOTAL	ELEC.	MECH.	TOTAL
ALASKA															
North Slope	1	4	5	3	1	4	–	–	–	7	–	7	11	5	16
Cook Inlet	–	2	2	–	–	–	–	–	–	1	–	1	1	2	3
Total Alaska	1	6	7	3	1	4	–	–	–	8	–	8	12	7	19
U.S. LOWER 48															
Northern Division															
California	3	–	3	6	–	6	4	–	4	2	–	2	15	–	15
Mid-Continent	2	13	15	13	10	23	6	1	7	4	–	4	25	24	49
North Dakota	3	6	9	7	21	28	12	6	18	–	–	–	22	33	55
Northeast	–	–	–	8	–	8	–	1	1	–	–	–	8	1	9
West Texas	–	7	7	7	1	8	2	1	3	2	–	2	11	9	20
Wyoming	7	12	19	15	2	17	2	–	2	3	–	3	27	14	41
Subtotal Northern Division	15	38	53	56	34	90	26	9	35	11	–	11	108	81	189
Southern Division															
East Texas	2	2	4	30	5	35	19	1	20	2	–	2	53	8	61
Gulf Coast	–	–	–	6	1	7	9	–	9	10	–	10	25	1	26
Houston	1	–	1	1	–	1	1	–	1	–	–	–	3	–	3
South Texas	–	–	–	11	3	14	18	–	18	7	–	7	36	3	39
Subtotal Southern Division	3	2	5	48	9	57	47	1	48	19	–	19	117	12	129
Subtotal U.S. Lower 48	18	40	58	104	43	147	73	10	83	30	–	30	225	93	318
Actively Marketed U.S. Land Drilling Fleet	19	46	65	107	44	151	73	10	83	38	–	38	237	100	337
Canada	5	55	60	9	2	11	4	3	7	4	–	4	22	60	82
INTERNATIONAL															
Latin America															
Argentina	–	17	17	3	–	3	–	–	–	1	–	1	4	17	21
Colombia	–	2	2	–	1	1	8	1	9	4	–	4	12	4	16
Ecuador	–	4	4	–	–	–	–	–	–	2	–	2	2	4	6
Mexico	–	–	–	–	–	–	2	–	2	4	–	4	6	–	6
Venezuela	–	–	–	1	–	1	2	2	4	–	–	–	3	2	5
Subtotal Latin America	–	23	23	4	1	5	12	3	15	11	–	11	27	27	54
Australia and Far East															
Australia	1	–	1	–	–	–	–	–	–	–	–	–	1	–	1
Brunei	–	–	–	–	–	–	–	–	–	1	–	1	1	–	1
Subtotal Australia and Far East	1	–	1	–	–	–	–	–	–	1	–	1	2	–	2
Middle East/Africa/CIS															
Algeria	–	–	–	–	–	–	6	–	6	3	–	3	9	–	9
Congo	–	–	–	–	–	–	–	–	–	1	–	1	1	–	1
Kazakhstan	–	1	1	–	3	3	–	–	–	1	–	1	1	4	5
Kuwait	–	–	–	–	–	–	–	–	–	1	1	2	1	1	2
Libya	–	–	–	–	–	–	–	1	1	1	–	1	1	1	2
Oman	2	2	4	3	–	3	–	–	–	1	–	1	6	2	8
Romania	–	–	–	–	–	–	–	–	–	2	–	2	2	–	2
Russia	–	1	1	–	–	–	–	1	1	3	–	3	3	2	5
Saudi Arabia	–	–	–	–	–	–	7	1	8	16	–	16	23	1	24
U.A.E.	–	–	–	–	–	–	–	–	–	1	–	1	1	–	1
Yemen	2	–	2	3	–	3	3	–	3	–	–	–	8	–	8
Subtotal Middle East/Africa/CIS	4	4	8	6	3	9	16	3	19	30	1	31	56	11	67
Joint Ventures															
Saudi Arabia Joint Ventures	–	3	3	–	–	–	4	–	4	1	–	1	5	3	8
Total International	5	30	35	10	4	14	32	6	38	43	1	44	90	41	131
Total Actively Marketed Land Drilling Fleet	29	131	160	126	50	176	109	19	128	85	1	86	349	201	550

Offshore Rig Fleet

Actively Marketed Rigs Only

	PLATFORM WORKOVER				PLATFORM DRILLING						
	< 750 HP	Sundowner	> 750 HP	Super Sundowner™	MASE®	Self-Elevated	API	Barge	Workover Jack-up	Drilling Jack-up	TOTAL
International Offshore											
Angola	–	–	–	–	–	–	–	–	–	1	1
Australia	–	–	–	–	1	1	–	–	–	–	2
Congo	–	–	1	1	–	–	–	–	–	–	2
India	–	2	–	–	–	–	–	–	–	–	2
Italy	–	–	–	1	–	–	–	–	–	–	1
Malaysia	–	–	1	–	–	–	–	–	–	–	1
Mexico	–	–	–	4	3	1	–	–	–	1	9
Qatar	–	–	–	–	–	–	–	–	–	1	1
Saudi Arabia	–	–	–	–	–	–	–	–	1	3	4
Saudi Arabia Joint Venture	–	–	–	–	–	–	–	–	–	1	1[1]
Total International Offshore	–	2	2	6	4	2	–	–	1	7	24
U.S. Gulf of Mexico	1	5	2	4	–	5	2	3	4	1	27
Alaska	–	–	–	–	–	1	–	–	–	–	1
California	–	–	1	–	–	–	–	–	–	–	1
Total Offshore	1	7	5	10	4	8	2	3	5	8	53

(1) Includes one joint venture rig (Rig 867) in which Nabors owns a 50% interest.

Workover/Well-Servicing Rigs

Actively Marketed Rigs Only

	< 300 HP	300 – 350 HP	400 – 450 HP	500 HP and >	TOTAL
U.S. Lower 48					
California	80	71	57	12	220
East Texas	4	14	17	21	56
Northeast	–	–	1	–	1
Oklahoma	2	11	15	18	46
Rocky Mountains	3	5	34	40	82
South Texas	–	4	14	14	32
West Texas	9	37	56	16	118
Total U.S. Lower 48	98	142	194	121	555
Canada	22	80	61	9	172
Total Workover/Well-Servicing	120	222	255	130	727

Officers

Eugene M. Isenberg
Chairman and Chief Executive Officer

Anthony G. Petrello
Deputy Chairman, President and Chief Operating Officer

Mark D. Andrews
Corporate Secretary

R. Clark Wood
Principal Accounting and Financial Officer

Directors

Eugene M. Isenberg
Chairman and Chief Executive Officer,
Nabors Industries Ltd.

Anthony G. Petrello
Deputy Chairman, President and Chief Operating Officer,
Nabors Industries Ltd.

Martin J. Whitman
Lead Director, Nabors Industries Ltd.
Chairman, Third Avenue Management LLC

William T. Comfort
Chairman, Citigroup Venture Capital

John V. Lombardi
President, Louisiana State University System

James L. Payne
Chairman and Chief Executive Officer,
Shona Energy Company, LLC

Myron M. Sheinfeld
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John Yearwood
Director, Nabors Industries Ltd.

Jack Wexler
Director Emeritus, Nabors Industries Ltd.

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Form 10-K
Our Form 10-K is available on our website at www.nabors.com under the “Investor Relations” tab. Copies may be obtained at no charge by writing to our Corporate Secretary at Nabors’ corporate office.

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Investor Relations
Dennis A. Smith
Director, Corporate Development

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
Houston, Texas

As of December 31, 2010, there were 315,034,436 common shares outstanding held by 1,581 holders of record.

The common shares are listed on the New York Stock Exchange under the symbol “NBR.” The following table sets forth the reported high and low sales prices of the common shares as reported on the New York Stock Exchange for the calendar quarters indicated.

CALENDAR YEAR		STOCK PRICE HIGH	STOCK PRICE LOW
2008	First quarter	34.14	23.61
	Second quarter	50.58	33.06
	Third quarter	50.35	22.50
	Fourth quarter	24.88	9.72
2009	First quarter	14.05	8.25
	Second quarter	19.79	9.38
	Third quarter	21.48	13.78
	Fourth quarter	24.07	19.18
2010	First quarter	27.05	18.74
	Second quarter	22.82	16.39
	Third quarter	19.13	15.54
	Fourth quarter	24.07	17.36

For additional information regarding corporate governance, historical financial data, investor presentations and global rig fleet, please visit www.nabors.com.

This annual report includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors’ actual results may differ materially from those indicated or implied by such forward-looking statements.

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