

2004 FINANCIAL HIGHLIGHTS

~ Nabors Industries Ltd. and Subsidiaries ~

OPERATING DATA

	Year Ended December 31,						Twelve Months Ended December 31, (Unaudited)		Year Ended September 30,	
	2004	2003	2002	2001	2000	1999	1998	1997	1997	1996
(In thousands, except per share amounts and ratio data)										
Operating revenues and Earnings from unconsolidated affiliates	\$ 2,398,088	\$ 1,890,186	\$ 1,481,218	\$ 2,228,070	\$ 1,414,943	\$ 670,186	\$ 1,007,864	\$ 1,115,032	\$ 1,029,303	\$ 719,743
Depreciation and amortization, and depletion	300,399	235,127	195,365	189,896	152,413	99,893	84,949	72,350	66,391	46,117
Net income	302,457	192,228	121,489	357,450	137,356	27,704	124,988	136,020	114,808	70,500
Earnings per diluted share	\$ 1.92	\$ 1.25	\$.81	\$ 2.24	\$.90	\$.23	\$ 1.16	\$ 1.24	\$ 1.08	\$.75
Weighted-average number of diluted common shares outstanding	164,030	156,897	149,997	168,790	152,417	120,449	112,555	113,793	111,975	93,752
Capital expenditures and acquisitions of businesses	\$ 544,429	\$ 353,138	\$ 702,843	\$ 803,241	\$ 334,279	\$ 837,732	\$ 315,057	\$ 381,196	\$ 399,895	\$ 177,925
Interest coverage ratio	14.1 : 1	6.8 : 1	6.0 : 1	13.3 : 1	11.8 : 1	5.8 : 1	19.4 : 1	18.3 : 1	16.1 : 1	11.7 : 1

BALANCE SHEET DATA

	As of December 31,						As of December 31, (Unaudited)		As of September 30,	
	2004	2003	2002	2001	2000	1999	1998	1997	1997	1996
(In thousands, except ratio data)										
Cash and cash equivalents, and short-term and long-term marketable and non-marketable securities	\$ 1,411,047	\$ 1,579,090	\$ 1,345,799	\$ 918,637	\$ 550,953	\$ 111,666	\$ 47,340	\$ 42,135	\$ 53,323	\$ 115,866
Working capital	381,658	917,274	618,454	700,816	524,437	195,817	36,822	62,571	70,872	172,091
Property, plant and equipment, net	3,275,495	2,990,792	2,801,067	2,451,386	1,835,039	1,678,664	1,127,154	923,402	861,393	511,203
Total assets	5,862,609	5,602,692	5,063,872	4,151,915	3,136,868	2,398,003	1,465,907	1,281,306	1,234,232	871,274
Long-term debt	1,201,686	1,985,553	1,614,656	1,567,616	854,777	482,600	217,034	226,299	229,507	229,504
Shareholders' equity	\$ 2,929,393	\$ 2,490,275	\$ 2,158,455	\$ 1,857,866	\$ 1,806,468	\$ 1,470,074	\$ 867,469	\$ 767,340	\$ 727,843	\$ 457,822
Funded debt to capital ratio:										
Gross	0.41 : 1	0.48 : 1	0.49 : 1	0.46 : 1	0.32 : 1	0.25 : 1	0.26 : 1	0.27 : 1	0.27 : 1	0.35 : 1
Net	0.17 : 1	0.22 : 1	0.26 : 1	0.26 : 1	0.15 : 1	0.20 : 1	0.17 : 1	0.20 : 1	0.20 : 1	0.21 : 1

GEOGRAPHIC DISTRIBUTION OF REVENUES AND ASSETS

	Year Ended December 31,						Twelve Months Ended December 31, (Unaudited)		Year Ended September 30,	
	2004	2003	2002	2001	2000	1999	1998	1997	1997	1996
(In thousands)										
Operating revenues and Earnings from unconsolidated affiliates:										
United States	\$ 1,505,082	\$ 1,152,272	\$ 1,012,503	\$ 1,859,356	\$ 1,115,899	\$ 448,478	\$ 706,046	\$ 867,999	\$ 797,319	\$ 503,622
Foreign	893,006	737,914	468,715	368,714	299,044	221,708	301,818	247,033	231,984	216,121
	\$ 2,398,088	\$ 1,890,186	\$ 1,481,218	\$ 2,228,070	\$ 1,414,943	\$ 670,186	\$ 1,007,864	\$ 1,115,032	\$ 1,029,303	\$ 719,743

	As of December 31,						As of December 31, (Unaudited)		As of September 30,	
	2004	2003	2002	2001	2000	1999	1998	1997	1997	1996
(In thousands)										
Total assets:										
United States	\$ 3,788,180	\$ 3,641,185	\$ 3,569,657	\$ 3,282,429	\$ 2,649,923	\$ 1,917,751	\$ 1,068,193	\$ 958,026	\$ 897,453	\$ 593,014
Foreign	2,074,429	1,961,507	1,494,215	869,486	486,945	480,252	397,714	323,280	336,779	278,260
	\$ 5,862,609	\$ 5,602,692	\$ 5,063,872	\$ 4,151,915	\$ 3,136,868	\$ 2,398,003	\$ 1,465,907	\$ 1,281,306	\$ 1,234,232	\$ 871,274