

PART IV

~ Nabors Industries Ltd. and Subsidiaries ~

ITEM 15 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Financial Statement Schedules	Page No.
Report of Independent Registered Public Accounting Firm on Financial Statement Schedule	134
Schedule II – Valuation and Qualifying Accounts	135

All other supplemental schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements or related notes.

(b) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger among Nabors Industries, Inc., Nabors Acquisition Corp. VIII, Nabors Industries Ltd. and Nabors US Holdings Inc. (incorporated by reference to Annex I to the proxy statement/prospectus included in Nabors Industries Ltd.'s Registration Statement on Form S-4 (File No. 333-76198) filed with the Commission on May 10, 2002, as amended).
2.2	Amended and Restated Acquisition Agreement, dated as of March 18, 2002, by and between Nabors Industries, Inc. and Enserco Energy Service Company Inc. (incorporated by reference to Exhibit 2.1 to Nabors Industries, Inc.'s Registration Statement on Form S-3 (File No. 333-85228)).
2.3	Form of Plan of Arrangement Under Section 192 of the Canada Business Corporations Act Involving and Affecting Enserco Energy Service Company Inc. and its Securityholders (included in Schedule B to Exhibit 2.2).
2.4	Arrangement Agreement dated August 12, 2002 between Nabors Industries Ltd. and Ryan Energy Technologies Inc. (incorporated by reference to Exhibit 2.4 to Nabors Industries Ltd.'s Form 10-K for the year ended December 31, 2002 (File No. 000-49887)).
3.1	Memorandum of Association of Nabors Industries Ltd. (incorporated by reference to Annex II to the proxy statement/prospectus included in Nabors Industries Ltd.'s Registration Statement on Form S-4 (Registration No. 333-76198) filed with the Commission on May 10, 2002, as amended).
3.2	Amended and Restated Bye-Laws of Nabors Industries Ltd. (incorporated by reference to Annex III to the proxy statement/prospectus included in Nabors Industries Ltd.'s Registration Statement on Form S-4 (Registration No. 333-76198) filed with the Commission on May 10, 2002, as amended).
3.3	Form of Resolutions of the Board of Directors of Nabors Industries Ltd. authorizing the issue of the Special Voting Preferred Share (incorporated by reference to Exhibit 3.3 to Nabors Industries Ltd.'s Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (Registration No. 333-85228-99) filed with the Commission on June 11, 2002).
4.1	Indenture dated as of February 5, 2001 between Nabors Industries, Inc. and Bank One, N.A., as trustee, in connection with \$1,382,200,000 principal amount at maturity of Zero Coupon Convertible Senior Debentures due 2021 (incorporated by reference to Exhibit 4.11 to Nabors Industries, Inc.'s Form 10-K, File No. 1-9245, filed with the Commission on March 30, 2001).
4.2	First Supplemental Indenture, dated as of June 21, 2002 among Nabors Industries, Inc., as issuer, Nabors Industries Ltd. as guarantor, and Bank One, N.A. as trustee, with respect to Nabors Industries, Inc.'s zero coupon convertible senior debentures due 2021 (incorporated by reference to Exhibit 4.5 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed with the Commission on August 14, 2002).

- 4.3 Second Supplemental Indenture dated as of October 25, 2004 by and among Nabors Industries, Inc., as issuer, Nabors Industries Ltd., as guarantor, and J.P. Morgan Trust Company, National Association (as successor to Bank One, N.A.), as Trustee, to the Indenture, dated as of February 5, 2001, as amended, with respect to Nabors Industries, Inc.'s Zero Coupon Convertible Senior Debentures due 2021 (incorporated by reference to Exhibit 4.1 to Nabors Industries Ltd.'s Current Report on Form 8-K, File No. 000-49887, filed October 27, 2004).
- 4.4 Indenture, dated August 22, 2002, among Nabors Industries, Inc., as issuer, Nabors Industries Ltd., as guarantor, and Bank One, N.A., with respect to Nabors Industries, Inc.'s Series A and Series B 5.375% Senior Notes due 2012 (incorporated by reference to Exhibit 4.1 to Nabors Industries, Inc.'s Registration Statement on Form S-4 (Registration No. 333-10049201) filed with the Commission on October 11, 2002).
- 4.5 Indenture, dated August 22, 2002, among Nabors Holdings 1, ULC, as issuer, Nabors Industries, Inc. and Nabors Industries Ltd., as guarantors, and Bank One, N.A., with respect to Nabors Holdings 1, ULC's Series A and Series B 4.875% Senior Notes due 2009 (incorporated by reference to Exhibit 4.1 to Nabors Holdings 1, ULC's Registration Statement on Form S-4 (Registration No. 333-10049301) filed with the Commission on October 11, 2002).
- 4.6 Form of Provisions Attaching to the Exchangeable Shares of Nabors Exchangeco (Canada) Inc. (incorporated by reference to Exhibit 4.1 to Nabors Industries, Inc.'s Registration Statement on Form S-3 (Registration No. 333-85228) filed with the Commission on March 29, 2002, as amended).
- 4.7 Form of Support Agreement between Nabors Industries, Inc., 3064297 Nova Scotia Company and Nabors Exchangeco (Canada) Inc. (incorporated by reference to Exhibit 4.2 to Nabors Industries, Inc.'s Registration Statement on Form S-3 (Registration No. 333-85228) filed with the Commission on March 29, 2002, as amended).
- 4.8 Form of Acknowledgement of Novation to Nabors Industries, Inc., Nabors Exchangeco (Canada) Inc., Computershare Trust Company of Canada and 3064297 Nova Scotia Company executed by Nabors Industries Ltd. (incorporated by reference to Exhibit 4.3 to Nabors Industries Ltd.'s Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (Registration No. 333-85228-99) filed with the Commission on June 11, 2002).
- 4.9 Indenture, dated as of June 10, 2003, between Nabors Industries, Inc., Nabors Industries Ltd. and Bank One, N.A. with respect to Nabors Industries, Inc.'s Zero Coupon Senior Exchangeable Notes due 2023 (incorporated by reference to Exhibit 4.1 to Nabors Industries, Inc.'s and Nabors Industries Ltd.'s Registration Statement on Form S-3, (File No. 333-107806-01, filed with the Commission on August 8, 2003)).
- 4.10 Registration Rights Agreement, dated as of June 10, 2003, by and among Nabors Industries, Inc., Nabors Industries Ltd. and Citigroup Global Markets Inc. (incorporated by reference to Exhibit 4.2 to Nabors Industries Inc.'s and Nabors Industries Ltd.'s Registration Statement on Form S-3, File No. 333-107806-01, filed with the Commission on August 8, 2003).
- 4.11 First Supplemental Indenture, dated as of October 25, 2004, by and among Nabors Industries, Inc., as issuer, Nabors Industries Ltd., as guarantor, and J.P. Morgan Trust Company, National Association, (as successor to Bank One, N.A.), as trustee to the Indenture, dated as of June 10, 2003, with respect to Nabors Industries, Inc.'s Zero Coupon Senior Exchangeable Notes due 2023 (incorporated by reference to Exhibit 4.2 to Nabors Industries Ltd.'s Current Report on Form 8-K, File No. 000-49887, filed October 27, 2004).
- 4.12 Indenture, dated as of December 13, 2004, by and among Nabors Industries, Inc., Nabors Industries Ltd., and J.P. Morgan Trust Company, National Association, with respect to Nabors Industries, Inc.'s Series B Zero Coupon Senior Exchangeable Notes due 2023.*
- 10.1⁽⁴⁾ 1996 Employee Stock Plan (incorporated by reference to Nabors Industries Inc.'s Registration Statement on Form S-8, Registration No. 333-11313, filed September 3, 1996).

- 10.2⁽⁴⁾ 1994 Executive Stock Option Agreement effective December 28, 1994 between Nabors Industries, Inc. and Eugene M. Isenberg (incorporated by reference to Exhibit 10.4 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 30, 1996).
- 10.3⁽⁴⁾ 1994 Executive Stock Option Agreement effective December 28, 1994 between Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.5 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 30, 1996).
- 10.4⁽⁴⁾ Employment Agreement effective October 1, 1996 between Nabors Industries, Inc. and Eugene M. Isenberg (incorporated by reference to Exhibit 10.7 to Nabors Industries Inc.'s Form 10-Q, File No. 1-9245, filed May 16, 1997).
- 10.5⁽⁴⁾ First Amendment to Amended and Restated Employment Agreement between Nabors Industries, Inc., Nabors Industries Ltd. and Eugene M. Isenberg dated as of June 24, 2002 (incorporated by reference to Exhibit 10.1 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed August 14, 2002).
- 10.6⁽⁴⁾ Second Amendment to Employment Agreement between Nabors Industries, Inc., Nabors Industries Ltd. and Eugene M. Isenberg dated as of July 17, 2002 (incorporated by reference to Exhibit 10.1 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed August 14, 2002).
- 10.7⁽⁴⁾ Employment Agreement effective October 1, 1996 between Nabors Industries, Inc. and Anthony G. Petrello (incorporated by reference to Exhibit 10.8 to Nabors Industries Inc.'s Form 10-Q, File No. 1-9245, filed May 16, 1997).
- 10.8⁽⁴⁾ First Amendment to Amended and Restated Employment Agreement between Nabors Industries, Inc., Nabors Industries Ltd. and Anthony G. Petrello dated as of June 24, 2002 (incorporated by reference to Exhibit 10.2 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed August 14, 2002).
- 10.9⁽⁴⁾ Second Amendment to Employment Agreement between Nabors Industries, Inc., Nabors Industries Ltd. and Anthony G. Petrello dated as of July 17, 2002 (incorporated by reference to Exhibit 10.3 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed August 14, 2002).
- 10.10⁽⁴⁾ Waiver dated as of September 27, 2002 pursuant to Section 9.[c] and Schedule 9.[c] of the Amended Employment Agreement among Nabors Industries, Inc., Nabors Industries Ltd., and Anthony G. Petrello (incorporated by reference to Exhibit 10.1 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed November 14, 2002).
- 10.11⁽⁴⁾ Nabors Industries, Inc. 1996 Chairman's Executive Stock Plan (incorporated by reference to Exhibit 10.17 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 29, 1997).
- 10.12⁽⁴⁾ Nabors Industries, Inc. 1996 Executive Officers Stock Plan (incorporated by reference to Exhibit 10.18 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 29, 1997).
- 10.13⁽⁴⁾ Nabors Industries, Inc. 1996 Executive Officers Incentive Stock Plan (incorporated by reference to Exhibit 10.9 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 29, 1997).
- 10.14⁽⁴⁾ Nabors Industries, Inc. 1997 Executive Officers Incentive Stock Plan (incorporated by reference to Exhibit 10.20 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed December 29, 1997).
- 10.15⁽⁴⁾ Nabors Industries, Inc. 1998 Employee Stock Plan (incorporated by reference to Exhibit 10.19 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed March 31, 1999).
- 10.16⁽⁴⁾ Nabors Industries, Inc. 1998 Chairman's Executive Stock Plan (incorporated by reference to Exhibit 10.20 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed March 31, 1999).
- 10.17⁽⁴⁾ Nabors Industries, Inc. 1999 Stock Option Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.21 to Nabors Industries Inc.'s Form 10-K, File No. 1-9245, filed March 31, 1999).
- 10.18⁽⁴⁾ Amendment to Nabors Industries, Inc. 1999 Stock Option Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.19 to Nabors Industries Inc.'s Form 10-K, File No. 1-09245, filed March 19, 2002).
- 10.19⁽⁴⁾ 1999 Pool Employee/Director Option Exchange Plan (incorporated by reference to Exhibit 10.20 to Nabors Industries Inc.'s Form 10-K, File No. 1-09245, filed March 19, 2002).

- 10.20 Form of Indemnification Agreement entered into between Nabors Industries Ltd. and the directors and executive officers identified in the schedule thereto (incorporated by reference to Exhibit 10.28 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 31, 2003).
- 10.21⁽⁴⁾ Amended and Restated 1999 Stock Option Plan for Non-Employee Directors (amended on May 2, 2003) (incorporated by reference to Exhibit 10.29 to Nabors Industries Ltd.'s Form 10-Q, File No. 000-49887, filed May 12, 2003).
- 10.22⁽⁴⁾ 2003 Employee Stock Option Plan (incorporated by reference to Annex D of Nabors Industries Ltd.'s Notice of 2003 Annual General Meeting of Shareholders and Proxy Statement, File No. 000-49887, filed May 8, 2003).
- 10.23 Purchase and Sale Agreement (Red River) by and among El Paso Production Company and El Paso Production GOM Inc., jointly and severally as Seller and Ramshorn Investments, Inc., as Purchaser dated October 8, 2003 (incorporated by reference to Exhibit 10.23 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 15, 2004).
- 10.24 Purchase and Sale Agreement (USA) between El Paso Production Oil & Gas USA, L.P., as Seller and Ramshorn Investments, Inc., as Purchaser dated October 8, 2003 (incorporated by reference to Exhibit 10.24 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 15, 2004).
- 10.25 Exploration Participation Agreement (South Texas) by and between El Paso Production Oil & Gas Company and El Paso Production Oil & Gas USA, L.P., jointly and severally and Ramshorn Investments, Inc., dated November 6, 2003 (incorporated by reference to Exhibit 10.25 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 15, 2004).
- 10.26 Exploration Participation Agreement (Catapult) by and between El Paso Production Company, and Ramshorn Investments, Inc., dated November 6, 2003 (incorporated by reference to Exhibit 10.26 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 15, 2004).
- 10.27⁽⁴⁾ Form of Restricted Stock Award – Isenberg/Petrello (incorporated by reference to Exhibit 10.01 to Nabors Industries Ltd.'s Form 8-K, File No. 000-49887, filed March 2, 2005).
- 10.28⁽⁴⁾ Form of Restricted Stock Award – Others (incorporated by reference to Exhibit 10.02 to Nabors Industries Ltd.'s Form 8-K, File No. 000-49887, filed March 2, 2005).
- 10.29⁽⁴⁾ Form of Stock Option Agreement – Isenberg/Petrello (incorporated by reference to Exhibit 10.03 to Nabors Industries Ltd.'s Form 8-K, File No. 000-49887, filed March 2, 2005).
- 10.30⁽⁴⁾ Form of Stock Option Agreement – Others (incorporated by reference to Exhibit 10.04 to Nabors Industries Ltd.'s Form 8-K, File No. 000-49887, filed March 2, 2005).
- 12 Computation of Ratios.*
- 14 Code of Business Conduct (incorporated by reference to Exhibit 14 to Nabors Industries Ltd.'s Form 10-K, File No. 000-49887, filed March 15, 2004).
- 21 Significant Subsidiaries of Nabors Industries Ltd.*
- 23 Consent of Independent Registered Public Accounting Firm.*
- 31.1 Rule 13a-14(a)/15d-14(a) Certification, executed by Eugene M. Isenberg, Chairman and Chief Executive Officer of Nabors Industries Ltd.*
- 31.2 Rule 13a-14(a)/15d-14(a) Certification, executed by Bruce P. Koch, Vice President and Chief Financial Officer of Nabors Industries Ltd.*
- 32.1 Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by Eugene M. Isenberg, Chairman and Chief Executive Officer of Nabors Industries Ltd. and Bruce P. Koch, Vice President and Chief Financial Officer of Nabors Industries Ltd. (furnished herewith).

* Filed herewith.

⁽⁴⁾ Management contract or compensatory plan or arrangement.

SIGNATURES

~ Nabors Industries Ltd. and Subsidiaries ~

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NABORS INDUSTRIES LTD.

By: /s/ Eugene M. Isenberg

Eugene M. Isenberg
Chairman and Chief Executive Officer

By: /s/ Bruce P. Koch

Bruce P. Koch
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: March 7, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ James C. Flores</u> James C. Flores	Director	March 7, 2005
<u>/s/ Eugene M. Isenberg</u> Eugene M. Isenberg	Chairman and Chief Executive Officer	March 7, 2005
<u>/s/ Alexander M. Knaster</u> Alexander M. Knaster	Director	March 7, 2005
<u>/s/ James L. Payne</u> James L. Payne	Director	March 7, 2005
<u>/s/ Anthony G. Petrello</u> Anthony G. Petrello	Deputy Chairman, President and Chief Operating Officer	March 7, 2005
<u>/s/ Hans Schmidt</u> Hans Schmidt	Director	March 7, 2005
<u>/s/ Myron M. Sheinfeld</u> Myron M. Sheinfeld	Director	March 7, 2005
<u>/s/ Martin J. Whitman</u> Martin J. Whitman	Director	March 7, 2005

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM ON FINANCIAL STATEMENT SCHEDULE**

~ Nabors Industries Ltd. and Subsidiaries ~

TO THE SHAREHOLDERS AND BOARD OF
DIRECTORS OF NABORS INDUSTRIES LTD.:

Our audits of the consolidated financial statements, of management's assessment of the effectiveness of internal control over financial reporting and of the effectiveness of internal control over financial reporting referred to in our report dated March 7, 2005 appearing in this Form 10-K of Nabors Industries Ltd. also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PRICEWATERHOUSECOOPERS LLP

Houston, Texas
March 7, 2005

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 2004, 2003, and 2002

(In thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
2004					
Allowance for doubtful accounts	\$ 10,986	\$ 2,359	\$ 281	\$ (2,648) ⁽¹⁾	\$ 10,978
Inventory reserve	1,367	819	–	(437) ⁽²⁾	1,749
Valuation allowance on deferred tax assets	11,703	2,805	–	–	14,508
2003					
Allowance for doubtful accounts	\$ 13,801	\$ 1,311	\$ 178	\$ (4,304) ⁽¹⁾	\$ 10,986
Inventory reserve	4,270	475	–	(3,378) ⁽²⁾	1,367
Valuation allowance on deferred tax assets	6,540	5,163	–	–	11,703
2002					
Allowance for doubtful accounts	\$ 22,366	\$ 2,221	\$ 3,249 ⁽³⁾	\$ (14,035) ⁽⁴⁾	\$ 13,801
Inventory reserve	4,308	248	–	(286) ⁽²⁾	4,270
Valuation allowance on deferred tax assets	–	6,540	–	–	6,540

⁽¹⁾ Uncollected receivables written off, net of recoveries.

⁽²⁾ Inventory reserves written off.

⁽³⁾ Primarily related to acquisitions.

⁽⁴⁾ Includes uncollected receivables written off, net of recoveries, and \$6.5 million related to receipt of amounts previously reserved for.

CORPORATE INFORMATION

~ Nabors Industries Ltd. and Subsidiaries ~

Corporate Address

Nabors Industries Ltd.
2nd Floor International Trading Center
Warrens
P.O. Box 905E
St. Michaels, Barbados
Telephone: (246) 421-9471
Fax: (246) 421-9472

Form 10-K

Copies may be obtained at no charge
by writing to our Corporate Secretary
at Nabors' corporate office.

Transfer Agent

EquiServe
P.O. Box 43069
Providence, Rhode Island 02940-3069

Investor Relations

Dennis A. Smith
Director of Corporate Development

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Houston, Texas

As of December 31, 2004, there were 149,860,747 common shares outstanding held by 2,218 holders of record.

The common shares are listed on the American Stock Exchange under the symbol "NBR". The following table sets forth the reported high and low sales prices of the common shares on the Composite Tape for the calendar quarters indicated.

Calendar Year		Stock Price	
		High	Low
2002	First quarter	\$ 42.88	\$ 27.05
	Second quarter	48.70	35.30
	Third quarter	36.50	26.52
	Fourth quarter	38.86	30.60
2003	First quarter	42.60	32.20
	Second quarter	45.85	37.65
	Third quarter	40.50	33.87
	Fourth quarter	42.52	35.76
2004	First quarter	49.32	41.01
	Second quarter	47.70	40.02
	Third quarter	47.87	41.25
	Fourth quarter	54.25	45.87