Rig Fleet Status

{ a global perspective }

as of March

2003

Offshore Rig Fleet

	Platform Workover					Platform Drilling						
	Concentric	< 750 HP	Sundowner®	> 750 HP	Super Sundowner®	MASE®	Self-Elevated	API	Barge	Workover Jack-up	Drilling Jack-up	Total
International Offshore												
Australia				1								1
Brazil					1					1		2
Congo					1							1
Indonesia						1						1
India			1									1
Mediterranean			1		1							2
Malaysia				1								1
Mexico					3	1	1				1	6
Qatar											1	1
Saudi Arabia											2.5 (1)	2.5
Trinidad						1					1	2
United States										1		1
Total International Offshore	0	0	2	2	6	3	1	0	0	2	5.5	21.5
U.S. Gulf of Mexico	3	3	6	3	2	0	5	5	3	8	0	38
Alaska						1						1
California				1								1
Total Offshore	**3**	**3**	**8**	**6**	**8**	**4**	**6**	**5**	**3**	**10**	**5.5**	**61.5**

(1) Includes one joint venture rig, in which Nabors owns a 50 percent interest.

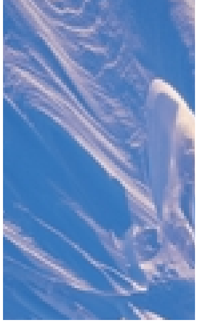
Workover/Well-Servicing Rigs

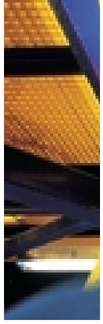
	< 300 HP	300 – 350 HP	400 – 450 HP	500 HP and >	Total
U.S. Lower 48					
West Texas	8	75	67	8	158
East Texas	1	7	12	5	25
South Texas	0	11	12	7	30
Oklahoma	4	8	17	9	38
Rocky Mountain	1	5	29	8	43
California	61	73	60	5	199
Stacked	32	161	41	15	249
Total U.S. Lower 48	107	340	238	57	742
Canada	14	126	60	9	209
Total Workover / Well-Servicing	**121**	**466**	**298**	**66**	**951**

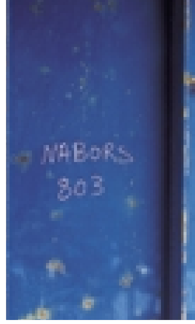
Land Drilling Fleet

	< 1,000 HP			1,000 – 1,399 HP		
	SCR	Other	Total	SCR	Other	Total
Alaska						
North Slope	1	1	2	4	0	4
Cook Inlet	0	1	1	0	0	0
Joint Venture	0	1	1	0	0	0
Total Alaska	1	3	4	4	0	4
U.S. Lower 48						
Southern Division						
East Texas	4	9	13	16	7	23
Gulf Coast	0	0	0	3	2	5
South Texas	1	1	2	2	6	8
Subtotal Southern Division	5	10	15	21	15	36
Southwestern Division						
California	4	4	8	2	0	2
Mid-continent	1	25	26	5	17	22
North Dakota	0	6	6	1	10	11
West Texas	0	9	9	4	4	8
Wyoming	4	9	13	3	5	8
Subtotal Southwestern Division	9	53	62	15	36	51
Stacked Inventory	6	37	43	4	21	25
Subtotal U.S. Lower 48	20	100	120	40	72	112
Total U.S. Land Drilling Fleet	**21**	**103**	**124**	**44**	**72**	**116**
Canada	5	52	57	10	3	13
International						
Latin America						
Argentina	0	17	17	2	0	2
Bolivia	0	0	0	0	2	2
Colombia	0	3	3	0	1	1
Ecuador	0	5	5	0	2	2
Venezuela	0	3	3	0	0	0
Subtotal Latin America	0	28	28	2	5	7
Australia and Far East						
Australia	0	4	4	0	0	0
Indonesia	0	2	2	0	0	0
Subtotal Australia and Far East	0	6	6	0	0	0
Middle East/Africa/CIS						
Algeria	0	0	0	0	0	0
Kazakhstan	1	0	1	0	0	0
Oman	0	0	0	2	0	2
Saudi Arabia	0	0	0	0	0	0
Turkmenistan	0	2	2	0	0	0
U.A.E.	0	4	4	0	0	0
Yemen	0	2	2	3	1	4
Subtotal Middle East/Africa/CIS	1	8	9	5	1	6
Joint Ventures						
Oman	0	1	1	0	0	0
Saudi Arabia	1	11	12	2	0	2
Subtotal Joint Ventures	1	12	13	2	0	2
Total International	**2**	**54**	**56**	**9**	**6**	**15**
Total Global Land Drilling Fleet	**28**	**209**	**237**	**63**	**81**	**144**

1,400 – 1,999 HP			> 2,000 HP			Total		
SCR	Other	Total	SCR	Other	Total	SCR	Other	Total
0	0	0	9	0	9	14	1	15
1	0	1	1	0	1	2	1	3
0	0	0	0	0	0	0	1	1
1	0	1	10	0	10	16	3	19
13	2	15	6	0	6	39	18	57
4	2	6	17	2	19	24	6	30
14	8	22	10	1	11	27	16	43
31	12	43	33	3	36	90	40	130
5	0	5	7	0	7	18	4	22
7	4	11	9	3	12	22	49	71
0	1	1	0	0	0	1	17	18
1	2	3	4	0	4	9	15	24
1	0	1	2	0	2	10	14	24
14	7	21	22	3	25	60	99	159
8	12	20	3	3	6	21	73	94
53	31	84	58	9	67	171	212	383
54	**31**	**85**	**68**	**9**	**77**	**187**	**215**	**402**
6	0	6	5	0	5	26	55	81
0	0	0	0	0	0	2	17	19
1	0	1	0	0	0	1	2	3
4	0	4	3	0	3	7	4	11
0	1	1	1	0	1	1	8	9
0	0	0	1	0	1	1	3	4
5	1	6	5	0	5	12	34	46
0	0	0	0	0	0	0	4	4
0	0	0	0	0	0	0	2	2
0	0	0	0	0	0	0	6	6
2	0	2	3	0	3	5	0	5
1	0	1	1	0	1	3	0	3
0	0	0	0	0	0	2	0	2
2	0	2	5	0	5	7	0	7
0	0	0	0	0	0	0	2	2
1	0	1	0	0	0	1	4	5
2	0	2	0	0	0	5	3	8
8	0	8	9	0	9	23	9	32
0	0	0	0	0	0	0	1	1
3	0	3	1	0	1	7	11	18
3	0	3	1	0	1	7	12	19
16	**1**	**17**	**15**	**0**	**15**	**42**	**61**	**103**
76	**32**	**108**	**88**	**9**	**97**	**255**	**331**	**586**







units {1–2} # U.S. Land Drilling

Alaska Drilling – Nabors Alaska posted a relatively good year in 2002 primarily on the strength of several exploration wells drilled early in the year, some with recently upgraded rigs.

This unit was quite busy with a number of strategic projects with great potential, including multiple remote exploration projects on the North Slope and the first of what promises to be several technically challenging extended reach wells from a shore base to a new discovery four miles offshore in the Cook Inlet.

Going forward, Nabors Alaska is preparing for a slower year in development drilling activity on the North Slope, although several exploration projects could improve results, including a three-well program for a new independent in the Beaufort Sea. A number of new multi-year development drilling projects could materialize pending further confirmation of commercial viability, including a new approach to pressure maintenance at Prudhoe Bay and the development of shallow, heavy oil sands utilizing new technologies. An additional bright spot is the high level of inquiries we are receiving regarding projects in the Cook Inlet.

Safety will continue to draw special attention in 2003 as the company takes steps to improve on one of the best records in the industry. The company's Rig Pass program, which focuses on a comprehensive approach to health, safety and environmental issues, will be expanded and additional training will be conducted in conjunction with the highly successful DuPont STOP program.

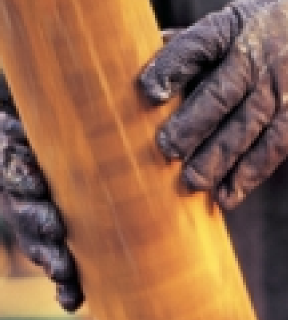


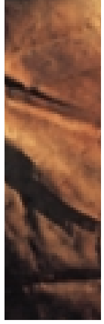

U.S. Lower 48 Drilling – Results for this unit were relatively flat throughout 2002 following the precipitous decline in late 2001 as a second-quarter rise in commodity prices did not stimulate a commensurate increase in drilling activity.

NDUSA responded by further curtailing overhead and capital expenditures while diversifying its marketing efforts to target smaller independents. We also secured a number of rigs on alliance contracts, which sustained continuity of operations, facilitated equipment maintenance and allowed us to retain the most skilled and experienced part of our workforce for the inevitable upturn. The company absorbed Peak USA, the oilfield hauling and rig moving operation, to further reduce administrative costs.

NDUSA had its best year ever from a safety standpoint, dropping its total recordable rate from 3.37 in 2001 to 2.23 in 2002, the result of continued investment in training. This will pay off in the continued welfare of our workforce, with additional benefits of lower insurance premiums and improved marketability.

Going forward, NDUSA expects a much improved year as sustained higher customer cash flows translate into increased levels of spending. Nabors recognizes the challenges our customers face in terms of the higher costs and risks associated with replacing gas production. To better assist in this effort, Nabors has undertaken a number of initiatives to increase efficiency and productivity. Most significant has been a program to reduce rig moving time through better planning and optimal unitization of rig components, which translates into fewer loads and better customer economics. We are also selectively implementing new and existing technologies on our higher specification land rigs that were heretofore unavailable or uneconomical.






unit {3} CANADA

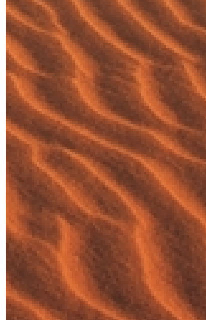
Nabors Canada experienced a weak year in 2002 as the effects of cyclically low Canadian gas prices were compounded by severe and protracted seasonal constraints.

This situation was exacerbated by further temporary reductions in customer capital spending pending the completion of two high profile operator mergers and related restructuring and property disposal.

This unit completed the acquisition of Enserco Energy Services in April. Combined with the Command Drilling acquisition in late 2001, this increased the number of drilling rigs in this unit from 35 to 81 while adding 209 well-servicing rigs. The Enserco acquisition also served to add multiple auxiliary production service capabilities, giving this unit a full suite of post completion services. The Command and Enserco acquisitions dovetailed perfectly with Nabors' existing rig manufacturing capabilities, creating even more innovative rig design and construction expertise which was further enhanced with the acquisition of a small electrical company with proprietary A/C drive technology. The result of this melding of expertise was evident in the construction of three new state-of-the-art rigs in the last twelve months, two of which have A/C drives.

2003 is off to a very good start, with indications of a higher than normal level of activity continuing throughout the spring and probably throughout the remainder of the year. With activity peaking, field supervisory and technical staffing is becoming critical, an issue Nabors has addressed by temporarily augmenting its workforce from other Nabors subsidiaries.



unit {4} International

Nabors Drilling International had an excellent year in 2002 as we realized a full year's contribution from a number of rigs that deployed in the second half of 2001.

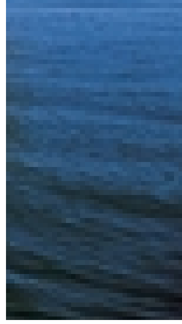
These included five rigs in Algeria, which set several drilling records during the year, and two jack-ups offshore Saudi Arabia. We also received incremental contributions from higher utilization of our existing land fleet in Saudi Arabia and Yemen. This included four additional rigs which began working in Saudi Arabia, bringing the number of active rigs in that country to seventeen, the highest ever for this unit. The year was further bolstered by three significant offshore contracts, two platform rigs that were deployed in The Congo and Trinidad early in the year and a jack-up which, along with five of Nabors' standard supply vessels, commenced offshore Mexico in September. The full impact of all of these developments was partially offset by reduced land activity in Latin America, although Colombia and Ecuador appear to be coming back as we enter 2003. Argentina continued to be productive in spite of the currency problems that plague that country.

Nabors Drilling International expanded its competency training program in all operating areas. This program is aimed at training local nationals to staff positions at every level. It has resulted in less turnover, improved security and reduced travel expenses, and has proven to be more efficient and more economical for our customers.

The outlook for this unit in 2003 is excellent, with a full year's contribution expected from last year's deployments, substantially aided by incremental contributions from the numerous new contracts that will begin this year. Among these are five long-term platform contracts offshore Mexico, other platform rigs offshore Indonesia and India, and a jack-up in Trinidad.

The optimistic outlook for this unit is further enhanced by a continuing high level of bids for both onshore and offshore projects in Latin America, the Far East and Russia. We also expect to see results from our continuing emphasis on safety and from our benchmarking program, which measures relative performance among our various rigs, creating an environment for continuous improvement.



unit {5} U.S. Offshore

Nabors Offshore Corporation's performance in 2002 was down from the previous year, tracking the general malaise in the North American gas market.

All asset classes of this unit were affected, with the only notable exception being rigs deployed on deepwater projects. Jack-up rig utilization and dayrates were substantially lower than during the prior year, mitigated somewhat by a flurry of activity in the second and fourth quarters, the former linked to rising commodity prices and the latter to year-end budgetary spending by customers. We also saw a reduced level of activity in platform drilling and barge utilization. Although the U.S. Gulf of Mexico offshore market remains weak, the international offshore market is experiencing robust growth in activity for our type of rigs. This provided the opportunity to sell a number of our best assets and to reassign several key technical, project management and field supervisory personnel to sister company Nabors Drilling International, allowing that entity to capitalize on the opportunities available worldwide.

Nabors Offshore's continued emphasis on safety paid off in 2002. The OSHA recordable rate for Gulf of Mexico operations dropped from 3.76 to 2.85, primarily the result of increased training in a number of different areas.

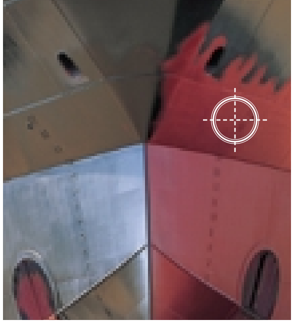
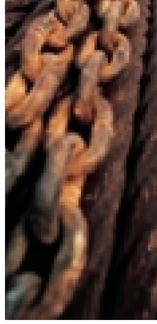
This unit expects to see improvement in 2003, primarily on the strength of deepwater development projects on SPAR and tension leg platforms. Nabors enjoys a disproportionate participation in this market largely because of its innovative and proprietary MODS (Modular Offshore Dynamic Series) platform rig design. Four existing rigs have been modified to this design and are already on contract, enhancing the outlook for this unit for the next several years. A newly constructed MODS rig will deploy late this year and another rig is currently being modified to the MODS design and should commence early next year. Sustained commodity prices should further improve the outlook for our jack-up and platform workover and drilling rigs, although the timing of this still lacks clarity.

unit {6} U.S. Land Well-Servicing

The weak market environment in 2002 for Pool Well Services' more profitable 24-hour completion, workover and stimulation services was partially mitigated by our strength in the remedial oilwell-servicing market, producing a better year than could reasonably be expected under the circumstances.

This unit also improved on its industry best safety record, lowering OSHA recordables from 3.69 to 2.5. In the process, Pool was presented the Gold Safety Award by the Association of Energy Service Companies for the sixth year in a row.

Pool expects improved performance in 2003 as higher than expected customer cash flows translate into increased activity. We are already seeing a first quarter improvement in well servicing, and greater volume in the type of inquiries that usually act as a prelude to an increase in our more lucrative workover and completion businesses. Increased activity in the first quarter has already worked to diminish the pressure on pricing and reverse the trend toward more onerous contract terms. Collectively, these actions will have a leveraging effect on our profitability, given the high fixed-cost nature of this business and the higher margins associated with 24-hour rig activity.



units {7–11} **MANUFACTURING & LOGISTICS**

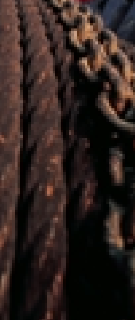
Marine Transportation

Sustained utilization and pricing in its Super 200 class vessels provided the impetus for a solid year in 2002.

These dynamically positioned boats continued to demonstrate the value of their unique design, which allows them to work more efficiently in support of deepwater drilling. The innovative capabilities of these new-generation supply vessels was demonstrated with the transport of one of our sister company's Sundowner™ platform workover rigs, complete with quarters, to an Eastern Mediterranean Sea location in a single load, a feat that would normally require three standard 180-foot supply vessels. The year was further highlighted by the customer sponsored upgrade of our well stimulation vessel, which augers well for the long-term utilization and returns for this special marine transportation service vessel.

The decline in U.S. Gulf of Mexico utilization of our standard supply vessels that began in mid-2001 showed signs of recovery in the third quarter of 2002 with higher rig activity in this strategic area. This was bolstered by a busy fourth quarter as we assisted in the inspection, repair and maintenance of offshore rigs, equipment and facilities following two back-to-back hurricanes.

Going forward, this unit expects to see an upturn in activity in the Gulf of Mexico in 2003. We are also intensifying our marketing efforts internationally, capitalizing on the synergies we enjoy with sister company Nabors Drilling International. This was evident in the recent five-boat contract which began in Mexico and the aforementioned single-boat workover rig system which deployed to the Eastern Mediterranean. We will continue to investigate foreign applications where the packaging of rigs and supply vessels gives us a competitive advantage.




Canrig Drilling Technology, Ltd.

Canrig posted a solidly profitable year in 2002 in spite of the weak market conditions in North America. This unit's prior year focus on non-Nabors accounts was rewarded with a significant improvement in contributions from this important business segment, highlighted by the sale of 15 top drives to Russian customers. The year was further augmented by the continued increase in the level of parts sales and scheduled top drive overhauls. Canrig rolled out two ancillary products for its top drive line, a Directional Steering Control System and a Washpipe Installation and Removal Tool, both of which will become increasingly important as optional features to new units and as retrofits to existing models.

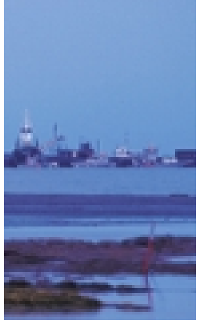
Going forward, Canrig expects to introduce even more products to augment its profitability, including remote diagnostic capabilities, which will be available to customers as a monthly service. The company has also begun development of a 175-ton top drive for small land rigs and should have a prototype in the second quarter. Non-Nabors customers will continue to be targeted in order to expand a growing backlog of orders.

Epoch Well Services, Inc.

Results were down in 2002, but Epoch capitalized on available opportunities, acquiring a complementary company in Bengal Development in April, and integrating a portion of Ryan Energy Technologies after its acquisition by Nabors in October. Both fill in gaps in the Epoch product lines, both allow the company to participate more aggressively in the data gathering component of the directional drilling market and both represent a meaningful enhancement of Nabors' wellsite capabilities. The company also introduced instrumentation systems into Mexico, benefiting from the relationships previously established by other Nabors affiliates.

Going forward, we expect sales to be flat over the short term, but improve with the anticipated recovery in the North American drilling market. We further hope to improve our market share through the introduction of an upgrade to our instrumentation software, incorporating Ryan's Datawise product, and an enhanced version of our reporting software. We will also continue to focus on improving our excellent safety record, which has seen the number of OSHA recordables consistently trend downward over the last few years.





Ryan Energy Technologies

Results for Ryan Energy Technologies were down in 2002 as the directional drilling, measurement while drilling and instrumentation product lines all tracked the reduced levels of North American drilling activity. Nabors' late year acquisition of Ryan positioned this unit for future growth, removing previous capital constraints, providing a much broader distribution platform and facilitating access to new markets.

Going forward, this unit will continue to invest in new and upgraded technology, the benefits of which will be evident to both Nabors' and Ryan's customers in the near term. Foremost of these is the integration of Ryan's Tru Vu data gathering system with sister company Epoch's Rigwatch system, combining the best features of both into an instrumentation platform that is among the best in the industry. Customer acceptance of this product in the first quarter of 2003 bodes well for improved performance in the coming year.

Peak Oilfield Services, our Alaskan construction and logistics joint venture, posted a solid year in 2002, despite weak development activity on the North Slope.

A robust, early-year exploration effort resulted in significant ice road construction, most of it in support of drilling activity in the National Petroleum Reserve. The renewal of the tank cleaning contract at Alyeska's Valdez terminal also contributed to results, and continued focus on safety paid off with a significant reduction in worker's compensation per-incident cost.

We expect 2003 to be flat to down slightly, as another strong year in support of exploration is offset by lower activity at Prudhoe Bay. Reduction in development activity and less content in a major Prudhoe Bay contract should result in significantly less routine trucking and maintenance work. The Alyeska contract will continue to contribute for at least two more years and further improvements in our results should materialize if exploration efforts by smaller independents are successful.