2Q16 Earnings Presentation

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Forward-Looking Statements

We often discuss expectations regarding our markets, demand for our products and services, and our future performance in our annual and quarterly reports, press releases, and other written and oral statements. Such statements, including statements in this document incorporated by reference that relate to matters that are not historical facts are "forward-looking statements" within the meaning of the safe harbor provisions of Section 27A of the U.S. Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the U.S. Securities Exchange Act of 1934. These "forward-looking statements" are based on our analysis of currently available competitive, financial and economic data and our operating plans. They are inherently uncertain, and investors must recognize that events and actual results could turn out to be significantly different from our expectations.

Factors to consider when evaluating these forward-looking statements include, but are not limited to:

- fluctuations and volatility in worldwide prices of and demand for natural gas and oil;
- fluctuations in levels of natural gas and oil exploration and development activities;
- fluctuations in the demand for our services;
- competitive and technological changes and other developments in the oil and gas and oilfield services industries;
- changes in the market value of investments accounted for using the equity method of accounting;
- our ability to complete, and realize the expected benefits of strategic transactions;
- the existence of operating risks inherent in the oil and gas and oilfield services industries;
- the possibility of changes in tax and other laws and regulations;
- the possibility of political or economic instability, civil disturbance, war or acts of terrorism in any of the countries in which we do business; and
- general economic conditions, including the capital and credit markets.

Our businesses depend, to a large degree, on the level of spending by oil and gas companies for exploration, development and production activities. Therefore, a sustained decrease in the price of natural gas or oil, which could have a material impact on exploration and production activities, could also materially affect our financial position, results of operations and cash flows.

The above description of risks and uncertainties is by no means all-inclusive, but is designed to highlight what we believe are important factors to consider.

Statements made in this presentation include non-GAAP financial measures. The required reconciliation to the nearest comparable GAAP financial measures is included in the Investor Relations section of our website at http://www.nabors.com.

Financial Overview

Financial Summary

($000 except EPS)	2Q15	3Q15	4Q15	1Q16	2Q16
Operating Revenues	$863,305	$847,553	$738,872	$597,571	$571,591
Adjusted EBITDA	288,493	247,631	223,332	162,052	165,508
Adjusted Income	70,297	7,524	(7,805)	(53,766)	(53,405)
GAAP Diluted EPS[1]	(0.14)[2]	(0.86)[3]	(0.57)[4]	(1.41)[5]	(0.65)[6]

(1) Diluted Earnings (Losses) Per Share from continuing operations

(2) Includes 23¢ per share of tax expense

(3) Includes 7¢ per share in favorable tax adjustments as well as charges and impairments of 79¢ per share related to our equity investment in C&J Energy Services, Ltd., other small asset impairments, and severance costs

(4) Includes net after-tax charges of 35¢ per share related to the impairment of certain assets

(5) Includes impairments of $1.12 per share related to our holdings in C&J Energy Services, Ltd.

(6) Includes impairments of $0.39 per share related to our holdings in C&J Energy Services, Ltd. and other assets

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Current Debt and Liquidity

($MM's)	High 3/31/2012	1Q16 3/31/2016	2Q16 6/30/2016	Change 1Q16 to 2Q16	Change 2Q16 from High
Total Debt	$4,750	$3,590	$3,503	($87)	($1,247)
Cash and ST Investments	494	222	256	34	(238)
Net Debt	**$4,256**	**$3,369**	**$3,247**	**($121)**	**($1,009)**
Shareholder's Equity	5,811	3,904	3,716	(188)	(2,095)
Net Debt to Capitalization[1]	42%	46%	47%	0%	4%
Coverage[2]	7.8x	5.1x	4.4x	(0.7x)	(3.4x)
Leverage[3]	2.5x	3.9x	4.4x	0.5x	1.9x

Liquidity (at June 30, 2016)

- Cash & Available Capacity: $2,499

1. Capitalization defined as Net Debt plus Shareholders' Equity
2. Coverage defined as TTM Adjusted EBITDA / TTM Interest Expense
3. Leverage defined as Total Debt / TTM Adjusted EBITDA

Note: Subtotals may not foot due to rounding

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Drilling and Rig Services

2Q16 Rig Utilization & Availability

	Rig Fleet[1]	2Q16 Rig Years[2]	Average Utilization
U.S. Lower 48			
AC	175	44	25%
Legacy	47	1	1%
U.S. Lower 48 Total	222	44	20%
U.S. Offshore	17	6	35%
Alaska	16	3	21%
Canada	54	4	8%
International	161	101	63%
Subtotal	470	159	34%
Lower 48 Construction	6		
Alaska Construction	1		
International Construction	2		
Total Fleet	**479**		

(1) As of 6/30/16

(2) Note: Subtotals may not foot due to rounding

6/30/16 U.S. Rig Utilization Power Type and Capacity

	Walking			Skidding			Pad Capable			Not Pad Capable			Total Rigs		
	Work.	Total	Util.	Work.	Total	Util.	Work.	Total	Total	Work.	Total	Util.	Work.	Total	Util.
AC	39*	124	31%	4	18	22%	43*	142	30%	5	33	15%	48	175	27%
Legacy	0	7	0%	0	7	0%	0	14	0%	0	33	0%	0	47	0%
Total	**39***	**131**	**30%**	**4**	**25**	**16%**	**43**	**156**	**28%**	**5**	**66**	**8%**	**48**	**222**	**22%**

* Including seven (7) rigs stacked on rate

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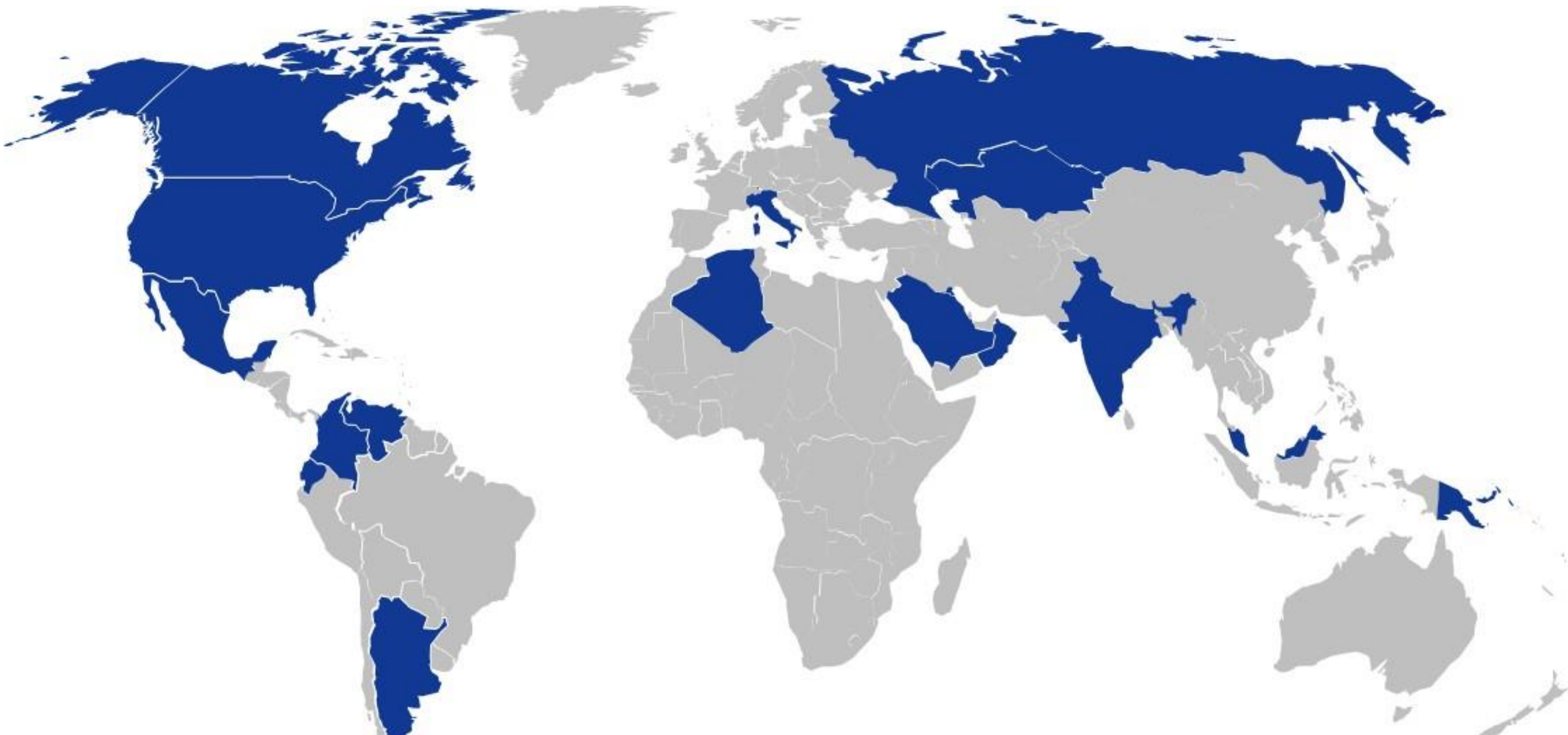
6/30/16 International Working Rigs



Algeria	9
Argentina	20
Colombia	4
Ecuador	3

India	3
Italy	1
Kazakhstan	2
Kuwait	2

Malaysia	1
Mexico	1
Oman	5
PNG	1

Russia	3
Saudi	42
Venezuela	5

Total 102

Appendix

Rig Margins & Activity

Drilling	3Q15		4Q15		1Q16		2Q16	
	Margin [1]	Rig Yrs	Margin [1]	Rig Yrs	Margin [1]	Rig Yrs	Margin [1]	Rig Yrs
U.S. Drilling	$11,177	103.0	$12,274	91.0	$10,043	64.9	$12,274	53.7
Canada	6,349	17.2	9,473	14.4	3,585	12.5	5,484	4.2
International	18,613	121.3	16,321	117.5	16,489	110.5	18,172	101.2

(1) Margin = gross margin per rig per day for the period. Gross margin is computed by subtracting direct costs from operating revenues for the period.

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