

Scotia Howard Weil Presentation and Script



Scotia Howard Weil
44th Annual Energy Conference
March 21-23, 2016

Presented by:
Anthony G. Petrello, Chairman & CEO

DRILLING OPERATIONS DRILLING SOLUTIONS DRILLING EQUIPMENT



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 Securities Act of 1933 and Section 21E of the 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 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 oilfield services industry;
- Changes in the market value of investments accounted for using the equity method of accounting;
- the existence of operating risks inherent in the oilfield services industry;
- the possibility of changes in tax laws 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 continued 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.

Thank you for your interest in Nabors. Our presentation this morning marks our 25th year here at the Scotia Howard Weil Energy Conference. On our silver anniversary, I would like to say “Thank you” to Scotia Howard Weil for hosting us, today, and hopefully for many years to come.

Presentation Overview

- Market Update
- Balance Sheet and Liquidity
- C&J Energy Services Investment
- Technology Initiatives

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My remarks this morning will cover 4 areas:

First, the market as we see it currently;

Second, our Balance Sheet and liquidity as we navigate through this downturn;

Third, our investment in C&J Energy Services;

And finally, I will reserve the remainder of our time this morning for a topic I am passionate about. The status of technology development initiatives and our thoughts on the future of drilling technology. We believe you will appreciate our effort to strengthen our leadership position in the industry through technology, particularly in this part of the cycle.

Higher Oil Prices Have yet to Lead to More Activity



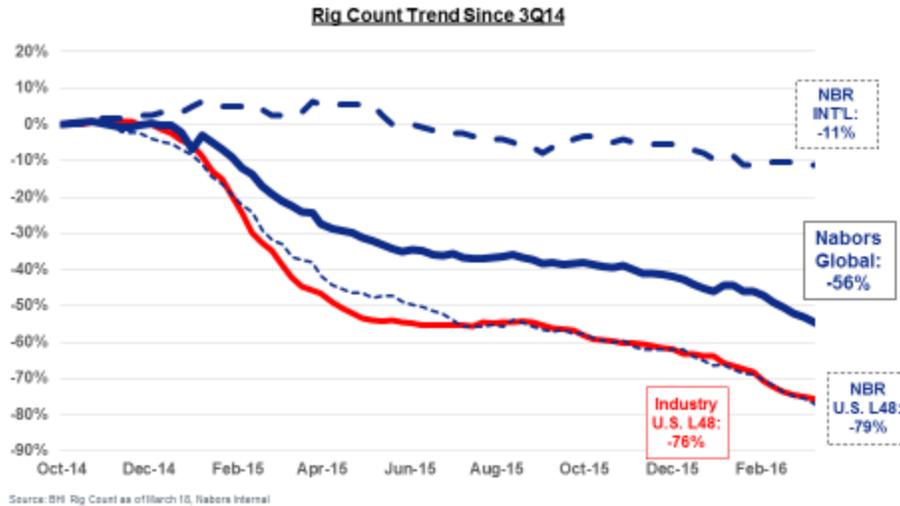
First, let's talk about the market.

Entering the quarter, the price of WTI crude was \$39. Since then, WTI has ranged down to approximately \$27 and back up above \$40. Most recently the trend has been up. While firmer prices beat the alternative, we do not see any improvement in the near-term activity trajectory from our customers. We think the E&P's need higher prices, and less volatility, before they meaningfully increase their drilling plans. They may very well also need time to repair their balance sheets even with recent equity offerings. Regardless, the E&P industry is likely to outspend its cash flow this year.

Fourth-quarter earnings calls by E&P companies were characterized by significant reductions in their planned capital spending. Our plan for Nabors fully contemplated this contraction. We are uniquely positioned in the market due to our geographic diversity. We have been ready for some time.

Market Overview: Global

Global Asset Positioning Supporting Rig Count Vs. Competitors



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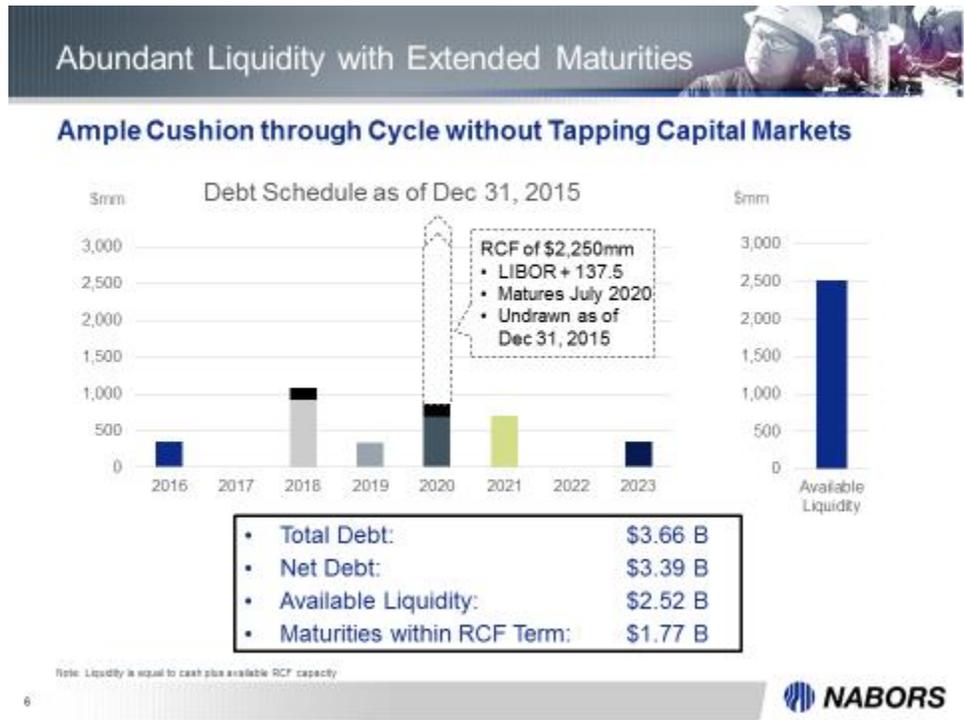
The picture we laid out on our earnings conference call a month ago has proved accurate thus far. We have seen our Lower 48 rig count decline, to 43 rigs. Since the beginning of the year, the corresponding Baker rig count has declined from 672 rigs, to 446 rigs last week.

With that contraction in the overall market, pricing has continued to deteriorate. Although our plan for running the business contemplated significant reductions, we have continued to align our cost structure in line with the worsening environment. Cost management continues to be a key area of focus for our company.

As we look outside the U.S., our International business remains more resilient.

We expected International rig years to drop by approximately 8% in the first quarter. So far, that outlook is proving accurate. Since the International market generally is characterized by greater contractual term coverage than the Lower 48, we see less pressure on units and pricing outside of the U.S. by comparison. Our customers are asking us to help reduce their well costs. So

we are working with them in a variety of ways to achieve that goal. There are pockets of requests for incremental additional rig activity in the Middle East and Russia. These opportunities of course will be price competitive in this market.



Now let me move on to our liquidity.

We are very focused on our balance sheet and financial position. As of the end of last year, Nabors had cash of \$255 million. The capacity of our revolver is \$2.25 billion. The only financial covenant on the revolver is a 60% net-debt-to-total-capital ratio. As part of our planning for a “lower-for-longer” downcycle, last year we increased the size of the facility by \$700 million and extended its maturity to July of 2020. At December 31st, the revolver was undrawn. Also last year, we added a \$325 million term loan to our capital structure, to further bolster our liquidity.

Executing on Plan to Preserve Liquidity



2016 Goal to Operate Business at Free Cash Flow Neutral or Better

- Manage / reduce costs
- Optimize capital spending
- Free cash flow neutrality prior to working capital benefit

Repurchase Senior Notes within RCF Maturity Window

- Discount to par lowers total net debt
- Interest savings due to rate arbitrage as well as a lower net debt total

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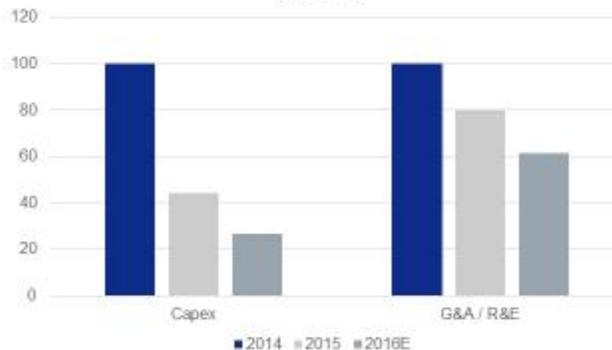


It is our intention to maintain free-cash-flow-neutral or better performance in 2016. We have several levers which we can utilize to help us achieve this goal while continuing to invest in new drilling technology even in this cycle.

Nabors Will Continue to Reduce Expenses to Maintain Cash Flow



Key Expense Categories
2014 = 100



Targeted Change from 2014 to 2016E:

-73%

-39%

Note: Expenses related to Completions and Production Services removed for 2014 and 2015 in order to make directly comparable
Note: 2014 levels baselined at 100

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Those levers include:

- Reducing planned annual capex to \$475 million, from over \$800 million last year
- Targeting annualized total G&A of approximately \$260 million, down from nearly \$425 million in 2014, excluding C&P
- Reducing estimated interest expense, due to debt repurchase activity

We believe we have adequately prepared the company for this market, and have sufficient sources of liquidity in place.

Our near-term debt maturities include \$350 million later this year, and our next maturities are in 2018. I want to reiterate our neutral or better free-cash-flow goal, not just this year but in future years as well. The credit line that is in place gives us a large degree of flexibility with respect to our debt maturities, as well as significant time to ride out the downturn.

Since the end of the year, we have repurchased notes with maturities within the term of the revolver. The principal amount repurchased totals approximately \$154 million. Our cash outlay was approximately \$150 million. Our buybacks have reduced the effective interest rate on our total debt. With the volatility in the trading of our notes, we have also been able to repurchase at a discount to par.

Committed to Maximizing Value of C&J Investment



- Founder and visionary Josh Comstock assembled a talented, successful management team with a strong operating history
- We merged our Completion & Production Services business with C&J Energy Services in March, 2015
- Retain approximately 52% ownership of the combined company
- We will assess and evaluate options as the market evolves
- ***Our guiding principle is to do what is right for Nabors shareholders, within the confines of appropriately managing the risk to Nabors***

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Now to C&J.

After merging our completion and production services businesses with C&J in 2015, we retained majority ownership of the combined company as of the closing date. As a majority equity holder, we are keenly interested in C&J's prospects.

C&J's businesses have suffered along with the rest of the industry. With the passing of Josh Comstock, C&J lost its founder and visionary. The company was the embodiment of Josh. As he built the company, Josh assembled a very deep and talented management team, which survives him. C&J's Board recently appointed Randy McMullen as CEO. Randy worked closely with Josh for over 10 years, as the company expanded significantly. I have had the opportunity to get to know Randy during the past couple of years, and I am confident in his ability to lead the management team, and ultimately unlock the value which we believe resides in C&J's market-leading position.

Investors frequently ask us what we are prepared to do, in order to support the company. Our answer has been consistent. We will assess the situation

as it evolves, and evaluate our alternatives. Under C&J's current capital structure, we do not currently foresee injecting additional common equity into the company. Our guiding principle is to do what is right for the Nabors shareholders, within the confines of appropriately managing the risk to Nabors.



Now to the Technology discussion.

When one speaks of “new technology” and land rigs, the usual reference is to AC rigs. In fact, this innovation is not recent, but old by most standards. Nabors first land AC rig was built back in 2000. Since then there have been over 900 added to the U.S. land market. Operators have seen tremendous efficiency gains from the new rigs. However, this is not due to AC power solely, but also things like move times, racking capacity, as well mud systems. Since their introduction, AC rigs themselves have evolved. The performance of newer AC rigs generally eclipses that of earlier ones; all AC rigs are not

created equally. As you know, we introduced our new “pad- optimal AC rig”, the X rig, on the belief that pads with 4 or more wells would become commonplace, and that operators would employ factory drilling for that growing base of U.S. development. The X Rig has received great customer reception. It is targeted at the growing segment of the market which consists of roughly 4 or more wells per pad.

PACE®-X Rig
Continuing to Revolutionize Multi-Well Pad Drilling

Faster Drilling Times	<ul style="list-style-type: none">• Repeatedly under 9 days from Spud to TD• Recent well under 6 days
Faster Move Times	<ul style="list-style-type: none">• 5 days when introduced• Now consistently 3 days or fewer

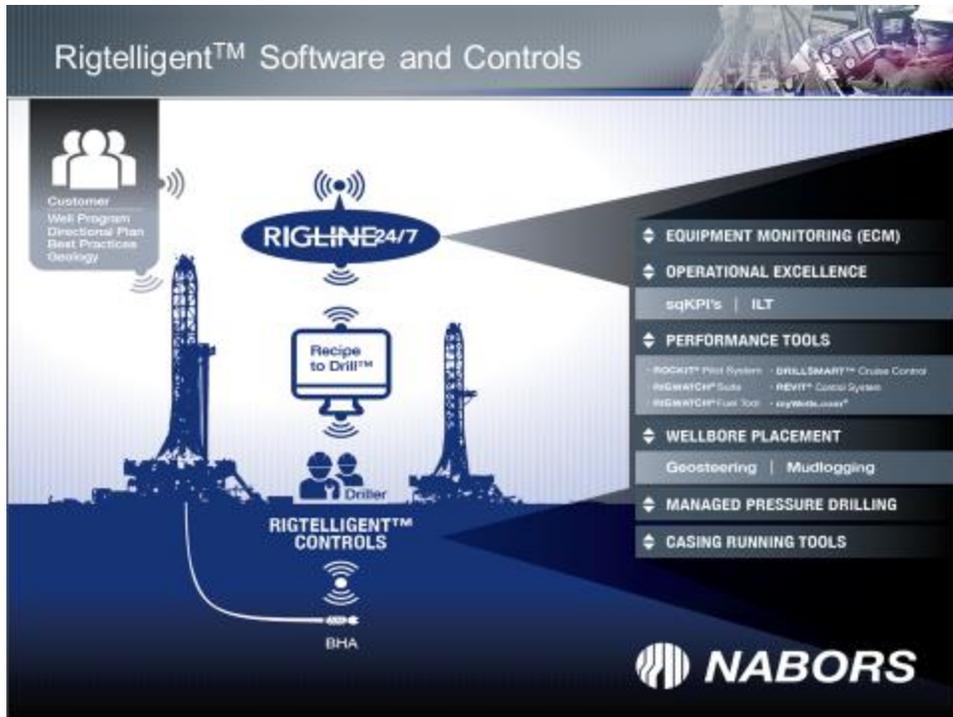


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On a pad, the X rig is unsurpassed by any rig in the market today. We are consistently drilling wells in the Eagle Ford in less than 9 days. Our record is less than 6 days.

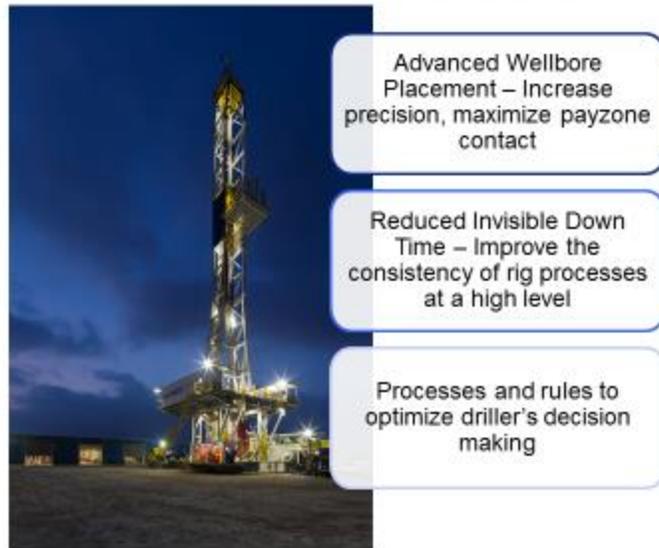
The X Rig was designed to rig down into small loads, to permit access to smaller well sites and help operators reduce the cost of those locations. It has more loads than its competitor rigs as a result. We have recently made modifications to the rigs and our procedures – and we are able to move the rig repeatedly in 3 days, which is competitive with any other comparable rig. In fact, we have set a record move at 2.2 days.

So we feel we have the right rig for the market in the 4-well-plus-pad realm.



We believe the next improvement in drilling technology will be dependent on creating a holistic environment of integrating hardware and software—much like you have seen with the success of the iPhone. The iPhone didn't simply combine a separate phone, music player, and GPS into a complicated all-in-one device -- it reinvented your workflow. We believe that same underlying principle is at work in our industry. The historical separations of hardware at the rig site will blur more and more. And, we believe there will have to be better integration of scalable downhole hardware with the surface rig equipment.

RigtelligenceSM for the Future, the Next Step beyond AC



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We are announcing today that we have developed a technology platform for the rig that will enable this environment. We think of technological advancements like this one as 'Rigtelligence for the Future'. This platform incorporates three significant objectives:

1. Advanced wellbore placement, where we position the wellbore in the optimal downhole window, as determined by the operator.
2. Reduced invisible lost downtime, so repetitive tasks are consistently performed at a high level.
3. And finally, processes and rules to optimize driller's decision making.

We have been working on this for several years and our existing premium AC rigs will all be equipped with this platform.

Next, I would like to introduce additional details of our Rigtelligent control system.

At the driller's chair, this system combines several discrete tasks into a single function. Whereas before the driller would interact with the rig by instructing various pieces of equipment to perform discrete functions, the new platform

allows the driller to select tasks, and the system executes them. Visually, the system uses familiar icons on a display screen, similar to a smart phone. So repetitive tasks are performed consistently, at a high level, removing the variability of human performance. We believe this interface will serve us well in the long term, as younger new generations of workers enter the workforce. It will obviously help in training as well.

The system incorporates its own PVT, or Pit Volume Totalizer. And it includes our own EDR, or Electronic Drilling Recorder. It also includes equipment condition monitoring as well as fuel monitoring. These features eliminate the need for third-party instrumentation companies. The system incorporates wiring, sensing and decoding to readily accept Nabors' own downhole directional drilling tools. It also uses standardized interfaces which allow our rigs to accept directional telemetry from other directional drilling companies.

This system achieves two important requirements. First, it improves both precision and accuracy of repetitive tasks. Second, because the system is managing these discrete tasks, it can optimize the time to complete such tasks. The first installation of this system on one of our existing premium rigs is now complete. We plan to roll it out across our AC fleet. We will be mobilizing it into the field shortly.

Wellbore Placement: Proprietary MWD Accusteer™ Platform is Commercial Now

Features	Length	Market Strategy
<ul style="list-style-type: none">• Weight on Bit• Torque on Bit• Bend on Bit• Stick Slip Index• At-Bit Pressure While Drilling• At-Bit Continuous Inclination• Resistivity• Azimuthal Gamma	<ul style="list-style-type: none">• 30 Feet• Matches industry-leading tool length	<ul style="list-style-type: none">• Scalable platform• Ultimately can commoditize it in the land drilling market

Accusteer™ Platform now being introduced to customers

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Turning to the downhole part of the story. Now, I will discuss our proprietary MWD system, which we call Accusteer. Within our objective of enhanced wellbore placement, Accusteer is an extremely important component. The Accusteer suite combines sensing of several relevant drilling dynamics with a true, at-bit location.

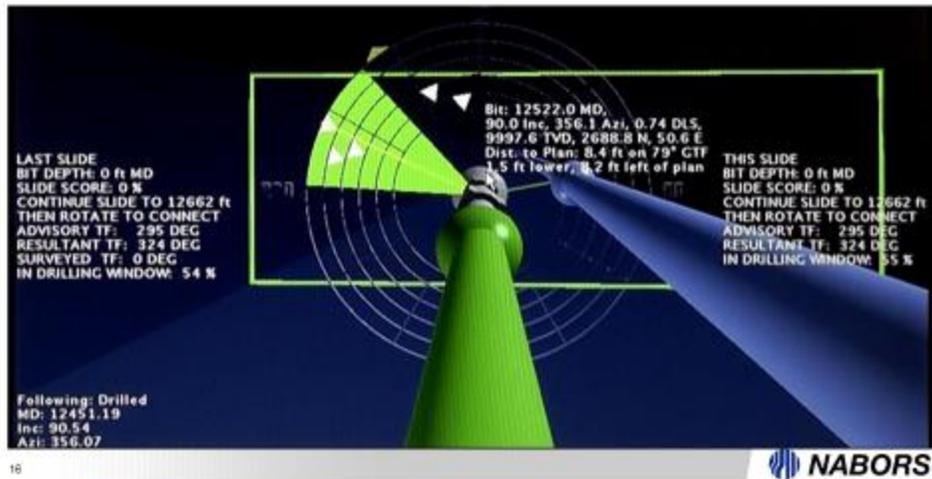
Its distinctive features include:

- Near-bit continuous Inclination
- Weight-, torque-, and bend-on-bit
- Resistivity
- and Azimuthal Gamma

At 30 feet in length, Accusteer matches industry-leading tool length. We believe the platform is scalable, and ultimately we can make it one of the leading directional tools in the land drilling market. Even in this market, a lot of customers are showing interest in Accusteer. We are more than able to oblige them. We are now introducing the platform to customers, who are showing interest even in this market.

PILOT™ Heads-Up Display

- Steering automation integrates the directional drilling workflow into the RigWatch system
- Combined with our ROCKIT PILOT™ automation and support from Rigline, existing rig crews execute directional drilling with superior results



Bridging the gap between downhole tools and surface equipment controls, we have a directional drilling aide called PILOT. Pilot complements the heads-up display in our ROCKIT system.

It provides steering logic to the Rigtelligent Controls to autosteer the downhole directional drilling assembly.

Here again the interface is like a video game, making it very easy for a driller to know his downhole location and for him to do things which previously were only accessible by a directional driller. The system will calculate how to get back on path automatically, much like your GPS or the WAZE app. We believe Pilot will improve the wellbore placement of even the most talented directional drillers.

What Is Next on the Horizon?

Customer Wish List

- Optimize the Workforce on the Rig
- Integration of Casing Running Tools
- Advanced Tubular Tracking
- Full Automation, Including Offline Stand Building



Outcomes

- Safer Jobs
- Faster Operations
- Greater Resource Recovery
- Continuous Improvement Using Existing Platforms



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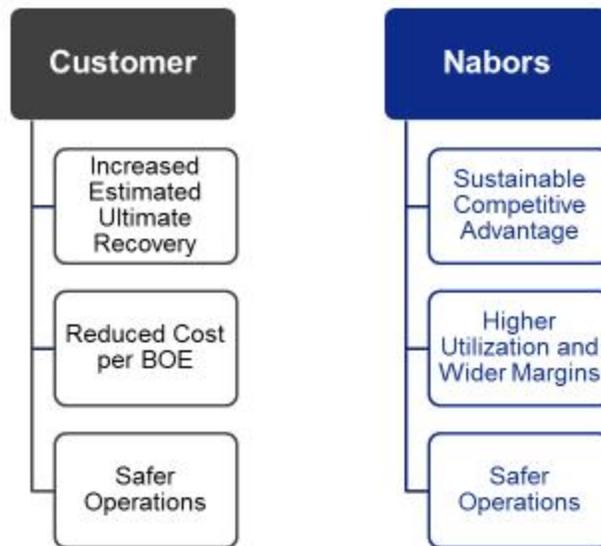
What else is on the horizon?

When it comes to drilling rigs, our customers share several goals and concerns. Their “wish list” includes:

- Optimizing the workforce on the rig
- Building stands offline
- Integrating casing running into the rig’s core capabilities
- Advanced tubular tracking
- Full automation, versus mechanization

At Nabors, we share these real-world concerns and aspirational objectives. Achieving this vision should culminate in material improvements in performance and safety. When combined with downhole integration, today’s vanilla AC rigs lacking these capabilities will become tomorrow’s legacy rigs. This is the vision we are pursuing.

Ultimate Goals for the Customer and Nabors



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These advances align our customers' goals with our own. We are confident our technology will materially improve the value proposition for our customers, through:

- More optimal well placement
- Reduced time to total depth
- Streamlined vendor management
- and Safer rig operations

For Nabors, we expect our developments will result in sustainable competitive advantage in our markets. With a more comprehensive, integrated product offering, we also anticipate benefits to our rig utilization and ultimately to daily rig revenue and margin. Of course, we envision improvements in our safety performance, as well.

We look forward to updating you on our progress.

That concludes my remarks. Thank you for your time and attention to Nabors this morning.