
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **October 31, 2016**

NABORS INDUSTRIES LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or Other Jurisdiction of
Incorporation or Organization)

001-32657
(Commission File Number)

98-0363970
(I.R.S. Employer
Identification No.)

Crown House
4 Par - la - Ville Road
Second Floor
Hamilton, HM08 Bermuda
(Address of principal executive offices)

N/A
(Zip Code)

(441) 292-1510
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 31, 2016, Nabors Industries Ltd. (“NIL” and, together with its subsidiaries, “Nabors”) announced the formation of a joint venture with Saudi Arabian Development Company (“Saudi Aramco”), a wholly-owned subsidiary of Saudi Arabian Oil Company. The joint venture will be governed by a shareholders’ agreement, dated October 31, 2016 (the “Shareholders’ Agreement”), between Nabors International Netherlands B.V. (“Nabors Netherlands”), an indirect wholly-owned subsidiary of NIL, and Saudi Aramco.

The Shareholders’ Agreement provides that a limited liability company organized under the laws of The Kingdom of Saudi Arabia (“The

Kingdom”) will be formed (the “Company”) to own and operate onshore drilling units, including onshore drilling units which are currently operated by an affiliate of Nabors in The Kingdom. The Company will be headquartered in the Eastern Province of The Kingdom and is expected to become the largest onshore drilling contractor in The Kingdom serving the Saudi Arabian Oil Company. The Company is expected to achieve commercial operations by the end of the second quarter of 2017 and the Shareholders’ Agreement provides that the joint venture will have an initial duration of 40 years.

Pursuant to the Shareholders’ Agreement and related agreements, each of Nabors and Saudi Aramco have agreed to contribute different combinations of cash, drilling units and related assets to the Company in exchange for each of Nabors and Saudi Aramco holding a 50% ownership interest in the Company.

Nabors will contribute \$20 million for formation of the Company and upon commencement of commercial operations, five drilling units and related assets. Nabors has also agreed to contribute an additional five drilling units and related assets to the Company in January 2019. The Shareholders’ Agreement also requires the Company to enter into agreements to purchase an additional 50 drilling units over a 10 year period from the Saudi Arabian Oil Company onshore rig manufacturing joint venture (the “**IK Manufacturing JV**”). The total initial value of the investment through January 2019 of each party in the joint venture is expected to approach US\$500,000,000. Of that total initial investment, Nabors expects its cash component to be the above-referenced \$20 million with the balance consisting of the contributed rigs, inventory and facilities. In addition, the Shareholders’ Agreement requires Nabors Netherlands to backstop its share of the Company’s obligations to purchase the first 25 drilling units from the IK Manufacturing JV in the event that there is insufficient cash in the Company or third party financing available.

Pursuant to the Shareholders’ Agreement, Nabors, Saudi Aramco and, once formed, the Company will enter into certain ancillary agreements to govern Nabors’ and Saudi Aramco’s respective relationships with the Company, including rig lease and rig management agreements, employee matters and secondment agreements, a services agreement, license agreements and drilling contracts relating to the contributed, purchased and leased rigs.

The obligations of Nabors are guaranteed by Nabors Drilling International Limited, an indirect, wholly-owned subsidiary of NIL. The description of the Shareholders’ Agreement does not purport to be a complete statement of the parties’ rights under such agreement and is qualified by reference to the Shareholders’ Agreement, which will be filed by Nabors as an exhibit to a future filing with the Securities and Exchange Commission.

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On October 31, 2016, Nabors issued a press release announcing the execution of the Shareholders’ Agreement. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated October 31, 2016

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NABORS INDUSTRIES LTD.

Date: October 31, 2016

By: /s/ Mark D. Andrews
Mark D. Andrews
Corporate Secretary

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<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated October 31, 2016

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Exhibit 99.1



NEWS RELEASE

Saudi Aramco and Nabors Sign Joint Venture Agreement

JV to own, manage and operate onshore drilling rigs in Saudi Arabia

HAMILTON, Bermuda; October 31, 2016/PRNewswire/ — Nabors Industries Ltd. (“Nabors”) (NYSE: NBR) today announced the signing of an agreement to form a new Joint Venture in the Kingdom of Saudi Arabia to own, manage and operate onshore drilling rigs. The Joint Venture, which will be equally owned by Saudi Aramco and Nabors, is anticipated to be formed and commence operations in the second quarter of 2017.

As part of its commitment to developing a competitive Saudi energy sector, Saudi Aramco has sought to localize industry hubs in order to foster economic diversification and job creation. This Joint Venture is one of the anchor projects that has grown out of this strategy which supports the wider development and localization of industries such as rig and rig equipment manufacturing and casting and forging.

The Joint Venture will leverage Nabors’ established business in Saudi Arabia to begin operations, with a focus on Saudi Arabia’s existing and future onshore oil and gas fields. Saudi Aramco and Nabors will each contribute land rigs to the Joint Venture in the first years of operation along with capital commitments toward future onshore drilling rigs which will be manufactured in Saudi Arabia.

Nabors Chairman, President and CEO, Anthony G. Petrello, stated “Nabors has had a decades-long and a mutually beneficial relationship with Saudi Aramco. We welcome this opportunity to expand that relationship, extend our commitment to the Kingdom, and create a long-term, profitable growth partnership with high skills career opportunities for Saudi employees. This venture represents a new chapter in the operator - contractor relationship. We fully expect the venture’s shared interest and collaborative efforts to result in even higher levels of safety and efficiency, while enhancing Saudi Aramco’s well productivity and cost savings.”

About Nabors

Nabors Industries (NYSE: NBR) owns and operates the world’s largest land-based drilling rig fleet and is a leading provider of offshore platform rigs in the United States and numerous international markets. Nabors also provides directional drilling services, performance tools, and innovative technologies throughout many of the most significant oil and gas markets. Leveraging our advanced drilling automation capabilities, Nabors’ highly skilled workforce continues to set new standards for operational excellence and transform our industry.

Forward-looking Statements

The information above includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to a number of risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors’ actual results may differ materially from those indicated or implied by such forward-looking statements. The forward-looking statements contained in this press release reflect management’s estimates and beliefs as of the date of this press release. Nabors does not undertake to update these forward-looking statements.

Media Contact: Dennis A. Smith, Vice President of Corporate Development & Investor Relations, +1 281-775-8038. To request investor materials, contact Nabors’ corporate headquarters in Hamilton, Bermuda at +441-292-1510 or via e-mail at mark.andrews@nabors.com

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