

NABORS INDUSTRIES LTD

Form DEF 14A

April 29, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

NABORS INDUSTRIES LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☐ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Mintflower Place
8 Par-La-Ville Road
Ground Floor
Hamilton, HM 08 Bermuda**

Notice of 2008 Annual General Meeting of Shareholders
Nabors Industries Ltd.
Tuesday, June 3, 2008, 11:00 a.m., CDT
Wyndham Greenspoint Hotel
12400 Greenspoint Drive
Houston, Texas

April 29, 2008

Fellow shareholder:

We cordially invite you to attend Nabors Industries Ltd.'s 2008 annual general meeting of shareholders to:

1. Elect three directors nominated by the Board of Directors, each for a three-year term;
2. Approve and appoint PricewaterhouseCoopers LLP as independent auditors for the fiscal year ending December 31, 2008 and authorize the Audit Committee of the Board of Directors to set the auditors remuneration;
3. Consider two shareholder proposals, if properly presented by the shareholder proponents; and
4. Transact such other business as may properly come before the annual general meeting.

Further information regarding the annual general meeting and the above proposals is set forth in the accompanying proxy statement. You are entitled to vote at the annual general meeting if you were a shareholder at the close of business on April 4, 2008. Even if you plan to attend the annual general meeting, please submit a proxy as soon as possible so that your shares can be voted at the annual general meeting in accordance with your instructions.

The financial statements for the Company will also be presented at the annual general meeting.

We hope you will read the proxy statement and submit your proxy. On behalf of the Board of Directors and the management of Nabors, I extend our appreciation for your continued support.

Sincerely yours,

Eugene M. Isenberg
Chairman of the Board & Chief Executive Officer

YOUR VOTE IS IMPORTANT

You may designate proxies to vote your shares by telephone, via the internet, or by mailing the enclosed proxy card. Your internet or telephone designation authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card. Please review the instructions in the proxy

statement and on your proxy card regarding each of these options.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL GENERAL MEETING TO BE HELD ON JUNE 3, 2008:**

Our Proxy Statement and our 2007 Annual Report are available at www.edocumentview.com/NBR.

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**NABORS INDUSTRIES LTD.
Mintflower Place
8 Par-La-Ville Road
Ground Floor
Hamilton, HM 08 Bermuda**

Proxy Statement

2008 ANNUAL GENERAL MEETING OF SHAREHOLDERS

JUNE 3, 2008

We are sending you this proxy statement in connection with the solicitation of proxies by the Board of Directors of Nabors Industries Ltd. for the 2008 annual general meeting of shareholders. We are mailing this proxy statement and the accompanying form of proxy to shareholders on or about May 1, 2008. In this proxy statement, Nabors, the Company, we, us and our refer to Nabors Industries Ltd. or, for information pertaining to periods prior to June 24, 2002, to Nabors Industries, Inc. Where the context requires, such references also include our subsidiaries.

Annual General Meeting Information

Date and location of the annual general meeting. We will hold the annual general meeting at the Wyndham Greenspoint Hotel, 12400 Greenspoint Drive, Houston, Texas at 11:00 a.m., Central Daylight Time, on Tuesday, June 3, 2008 unless adjourned or postponed. Directions to the annual meeting can be found on the Investor Relations tab of the Company's website at www.nabors.com or by calling our Investor Relations department at 281-775-8063.

Admission to the annual general meeting. Only record or beneficial owners of Nabors common shares may attend the annual general meeting in person. If you are a shareholder of record, you may be asked to present proof of identification, such as a driver's license. Beneficial owners must also present evidence of share ownership, such as a recent brokerage account or bank statement.

Voting Information

Record date and quorum. The record date for the annual general meeting is April 4, 2008. You may vote all common shares of Nabors that you owned as of the close of business on that date. Each common share entitles you to one vote on each matter to be voted on at the annual general meeting. On the record date, 307,476,863 common shares of Nabors were outstanding. In addition, the holder of record of one Special Voting Preferred Share of Nabors is entitled to a number of votes equal to the number of exchangeable shares of Nabors Exchangeco (Canada), Inc., a corporation incorporated under the laws of Canada, in accordance with the instructions received from the holders of such shares. There were 121,008 exchangeable shares of Nabors Exchangeco (Canada) Inc. outstanding on the record date. A majority of the shares outstanding on the record date present, in person or by proxy, constitutes a quorum to transact business at the annual general meeting. Abstentions and withheld votes will be counted for purposes of establishing a quorum.

Submitting voting instructions for shares held in your name. You may vote at the annual general meeting by completing, signing and returning the enclosed proxy card. A properly completed and submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your instructions. If you submit a signed proxy without indicating your vote, the person voting the proxy will vote your shares according to the Board's recommendation.

Submitting voting instructions for shares held in street name. If you hold your shares through a broker, follow the voting instructions you receive from your broker. If you want to vote in person, you must obtain a legal

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proxy from your broker and bring it to the annual general meeting. If you do not submit voting instructions to your broker, your broker may still be permitted to vote your shares. New York Stock Exchange (NYSE) member brokers may vote your shares under the following circumstances:

Discretionary items. The election of directors and approval and appointment of Nabors independent auditors are discretionary items. NYSE member brokers that do not receive instructions from beneficial owners may vote on these proposals in their discretion.

Non-discretionary items. The shareholder proposals are nondiscretionary items. Absent specific voting instructions from the beneficial owners on these proposals, NYSE member brokers may not vote on these proposals.

If you do not submit voting instructions and your broker does not have discretion to vote your shares on a matter (broker non-votes), your shares will not be voted on that matter at the annual general meeting. Accordingly, broker non-votes will not be counted in determining the outcome of vote on any matter at the annual general meeting. Broker non-votes will, however, be counted for purposes of establishing a quorum.

Revoking your proxy. You may revoke your proxy at any time before it is actually voted by (1) delivering a written revocation notice prior to the annual general meeting to Mark D. Andrews, Corporate Secretary, Nabors Industries Ltd., P.O. Box HM3349, Hamilton, HMPX Bermuda; (2) submitting a later proxy; or (3) voting in person at the annual general meeting (although attendance at the annual general meeting will not, by itself, constitute a revocation of a proxy).

Votes required to elect directors and to adopt other proposals. Directors are elected by a *plurality* of the votes cast. The approval and appointment of PricewaterhouseCoopers LLP and authorization for the Audit Committee to set the auditor's remuneration, and each of the shareholder proposals requires the affirmative vote of the holders of a *majority* of shares present in person or represented by proxy and entitled to vote thereon.

Withholding your vote or voting to abstain . You can withhold your vote for any nominee for election for director. Withheld votes will be excluded from the vote and will have no effect on the outcome. On the other proposals, you can vote to abstain . If you vote to abstain , your shares will be counted as present at the annual general meeting for purposes of that proposal and your vote will have the effect of a vote *against* the proposal.

ITEM 1 ELECTION OF DIRECTORS

Our Board of Directors currently has eight members and is divided into three classes. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. Anthony G. Petrello, Myron M. Sheinfeld, and Martin J. Whitman are the current Class II directors who have been nominated by the Board, upon the recommendation of the Governance and Nominating Committee, for re-election to the Board to serve until the 2011 annual general meeting or until their successors are duly elected and qualified. Each of the nominees has agreed to serve as a director if elected. We do not anticipate that the nominees will be unable or unwilling to stand for election, but if that happens, your proxy will be voted for another person nominated by the Board or the Board may opt to reduce the number of Class II directors.

In identifying and recommending nominees for positions on the Board of Directors, the Governance and Nominating Committee places primary emphasis on the criteria set forth in our Corporate Governance Guidelines, namely:

Judgment, age, and diversity of viewpoints, backgrounds, experiences;

Business or other relevant experience; and

The extent to which the interplay of the nominee's expertise, skills, knowledge, and experience with that of the other members of the Board of Directors will build an effective Board that is responsive to the needs of the Company.

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The Governance and Nominating Committee does not set specific, minimum qualifications that nominees must meet in order for the Committee to recommend them to the Board of Directors but rather believes that each nominee should be evaluated based on his or her individual merits, taking into account the needs of the Company and the composition of the Board of Directors. Members of the Governance and Nominating Committee discuss and evaluate possible candidates in detail, and suggest individuals to explore in more depth. The Governance and Nominating Committee may in its discretion engage outside consultants to help in identifying candidates.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF MESSRS. PETRELLO, SHEINFELD, AND WHITMAN AS CLASS II DIRECTORS FOR A TERM ENDING AT THE 2011 ANNUAL GENERAL MEETING.

CLASS II**Nominees for election for a three-year term ending in 2011**

Name	Age	Position with Nabors and Prior Business Experience	Director of Nabors Since
Anthony G. Petrello	53	President and Chief Operating Officer of Nabors since 1992, Deputy Chairman since 2003. From 1979 to 1991, Mr. Petrello was with the law firm Baker & McKenzie, where he had been Managing Partner of its New York Office from 1986 until his resignation in 1991. Mr. Petrello holds a J.D. degree from Harvard Law School and B.S. and M.S. degrees in Mathematics from Yale University.	1991
Myron M. Sheinfeld	78	Counsel with the law firm of King & Spalding LLP. From 2001 until 2007 he was Senior Counsel to the law firm Akin, Gump, Strauss, Hauer & Feld, L.L.P. From 1970 until 2001 he held various positions in the law firm Sheinfeld, Maley & Kay P.C. Mr. Sheinfeld was an adjunct professor of law at the University of Texas, School of Law from 1975 to 1991 and is a contributing author to numerous legal and business publications, and a contributor, member of the Board of Editors, co-editor and co-author of Collier On Bankruptcy, and a co-author of Collier On Bankruptcy Tax for Lexis-Nexis and Matthew Bender & Co., Inc. He is former President, a present Director and a member of The Houston Chapter of National Association of Corporate Directors. He is former Chair of the ABA Standing Committee on Specialization and former Chair of the Texas Board of Legal Specialization. Mr. Sheinfeld also serves on the board of Rancher Energy Corp.	1988

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Name	Age	Position with Nabors and Prior Business Experience	Director of Nabors Since
Martin J. Whitman	83	Mr. Whitman is the Lead Director for Nabors Board of Directors. Chief Executive Officer until June 2002 and a Director of Danielson Holding Corporation (a holding company for conversion of waste to energy, and insurance businesses) until October 2004 (Chairman of the Board until July 1999); Chairman and Trustee of Third Avenue Trust since 1990 and Chief Executive Officer of Third Avenue Trust from 1990 to 2003; Co-Chief Investment Officer of Third Avenue Management LLC and its predecessor (the adviser to Third Avenue Trust) since 2003 and Chief Investment Officer of Third Avenue Management LLC and its predecessor from 1991 to 2003; Director of Tejon Ranch Co. (an agricultural and land management company) from 1997 to 2001; and Director of Stewart Information Services Corp. (a title insurance and real estate company) from 2000 until 2001. Mr. Whitman was an Adjunct Lecturer, Adjunct Professor and Distinguished Fellow in Finance, Yale University School of Management from 1972 to 1984 and 1992 to 1999 and is currently an Adjunct Lecturer in Finance at Yale University and an Adjunct Professor in Finance at Syracuse University. He was an Adjunct Professor at the Columbia University Graduate School of Business in 2001. Mr. Whitman is co-author of The Aggressive Conservative Investor and author of Value Investing: A Balanced Approach.	1991

CLASS III**Directors Continuing in Office Terms expiring in 2009**

Name	Age	Position with Nabors and Prior Business Experience	Director of Nabors Since
Eugene M. Isenberg	78	Chairman of the Board and Chief Executive Officer of Nabors since 1987. Mr. Isenberg served as a Director of Danielson Holding Company (a financial services holding company) until October 2004. He served as a Governor of the National Association of Securities Dealers (NASD) from 1998 to 2006 and the American Stock Exchange (AMEX) until 2005. He has served as a	1987

member of the National Petroleum Council since 2000. From 1969 to 1982, Mr. Isenberg was Chairman of the Board and principal shareholder of Genimar, Inc. (a steel trading and building products manufacturing company), which was sold in 1982. From 1955 to 1968, Mr. Isenberg was employed in various management capacities with Exxon Corporation.

William T. Comfort

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Mr. Comfort is Chairman of Citigroup Venture Capital and has been with Citigroup Venture Capital since 1979. Mr. Comfort is also a Managing Partner & Chairman of the Investment Committee of Court Square Capital, director of I-Flex Solutions and Deutsche Annington (DAIG - Germany).

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Name	Age	Position with Nabors and Prior Business Experience	Director of Nabors Since
Alexander M. Knaster	49	Chairman and CEO of Pamplona Capital Management, an investment management firm with private equity and fund of funds operations. Mr. Knaster also serves as director of TNK-BP and several subsidiaries of Alfa Group Holding Company which is one of Russia's largest conglomerates with interests in telecoms, banking, insurance, retail and the Russian oil and gas producing entity TNK-BP. From 1998 until 2004 Mr. Knaster was Chief Executive Officer of Alfa Bank. During 2002 and 2003 he also served as General Director of Sidanco, Russia's seventh largest oil company. From 1995 to 1998 he served as President and CEO of Credit Suisse First Boston (Moscow), responsible for the firm's operations in Russia and the CIS. Mr. Knaster has over 20 years experience in the banking industry including several other major investment banks. Mr. Knaster started his career as an engineer with Schlumberger, Ltd. working on offshore oil and gas rigs in the U.S. Gulf of Mexico. Mr. Knaster holds a PhD in economics from the Russian Academy of Science, an MBA from Harvard Business School and a BS in Electrical Engineering and Mathematics from Carnegie-Mellon University. Mr. Knaster is also a Chartered Financial Analyst and a member of International Society of Financial Analysts and National Association of Petroleum Industry Analysts.	2004
James L. Payne	71	Chairman and Chief Executive Officer of Shona Energy Company. Mr. Payne was Chairman, Chief Executive Officer and President of Nuevo Energy Company (a company engaged in the acquisition, production and exploration of oil and natural gas properties) until May 2004 when Nuevo merged with Plains Exploration and Production Company. He also serves as a Director of BJ Services and Global Industries. He was a Director of Pool Energy Services Co. from 1993 until its acquisition by Nabors in November 1999. He retired as Vice Chairman of Devon Corp. in February 2001. Prior to the merger between Devon Corp. and Santa Fe Snyder Company in 2000, he had served as Chairman and Chief Executive Officer of Santa Fe Snyder Company. He was	1999

Chairman and Chief Executive Officer of Santa Fe Energy Company from 1990 to 1999 when it merged with Snyder Oil Company. Mr. Payne is a graduate of the Colorado School of Mines where he was named a Distinguished Achievement Medalist in 1993. He holds an MBA degree from Golden Gate University and has completed the Stanford Executive Program.

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Name	Age	Position with Nabors and Prior Business Experience	Director of Nabors Since
Hans W. Schmidt	78	From 1958 to his retirement in 1992, Mr. Schmidt held a number of positions with C. Deilmann A.G., a diversified energy company located in Bad Bentheim, Germany, including serving as a Director from 1982 to 1992. From 1965 to 1992 he served as Director of a subsidiary of C. Deilmann A.G., Deutag Drilling, a company with worldwide drilling operations. From 1988 to 1991 Mr. Schmidt served as President of Transocean Drilling Company, a company of which he was also a Director from 1981 until 1991.	1993

OTHER EXECUTIVE OFFICERS

Bruce P. Koch	48	Vice President and Chief Financial Officer since February 2003; Vice President Finance from January 1996 to February 2003; and Corporate Controller of Nabors from March 1990 to 1995. He was employed by the accounting firm of Coopers & Lybrand from 1983 to 1990 in a number of capacities, including Audit Manager, from 1987 until 1990.
Mark D. Andrews	35	Corporate Secretary of Nabors since September 2007. Prior to joining Nabors, from December 2000 Mr. Andrews served in various treasury and financial management positions with General Electrical Company. Mr. Andrews was employed by PricewaterhouseCoopers LLP from 1996 to 2000 in a number of capacities, including Tax Manager, within the firm's Mining and Resource Practice. Mr. Andrews is a Chartered Accountant and Chartered Financial Analyst.

CORPORATE GOVERNANCE

The Board of Directors met six times during 2007. Each of our incumbent directors attended at least 81% of the aggregate of the meetings of the Board and the committees on which he served during 2007. The Board has five committees – the Audit Committee, the Compensation Committee, the Governance and Nominating Committee, the Technical and Safety Committee and the Executive Committee. The independent directors of the Board meet in executive session during each Board meeting. Appointments and chairmanships of the committees are recommended by the Governance and Nominating Committee and are selected by the Board. All committees report their activities to the Board. The charters of each of our Audit Committee, Compensation Committee, and Governance and Nominating Committee are available on our web site at www.nabors.com. Copies of the respective charters are available in print without charge to any shareholder that requests a copy – send any requests to the Corporate Secretary at the address on the cover page of this proxy statement.

Committee	Current Members	Primary Responsibilities	# of Meetings
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Audit	Myron M. Sheinfeld (Chair) Hans W. Schmidt Martin J. Whitman	Oversees the integrity of our Company's consolidated financial statements, system of internal controls, risk management, and compliance with legal and regulatory requirements. Selects, determines the compensation of, evaluates and, when appropriate, replaces the independent auditor, and pre-approves audit and permitted nonaudit services.	5
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Committee	Current Members	Primary Responsibilities	# of Meetings
Compensation ¹	Martin J. Whitman (Chair) William T. Comfort Alexander M. Knaster James L. Payne Hans W. Schmidt Myron M. Sheinfeld	Oversees the qualifications and independence of the independent auditor and the performance of our Company's internal auditor and independent auditor.	5
		After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in the Company's Annual Report on Form 10-K.	
Governance and Nominating ¹	James L. Payne (Chair) William T. Comfort Alexander M. Knaster Hans W. Schmidt Myron M. Sheinfeld Martin J. Whitman	Reviews and approves the compensation of the Company's senior officers.	4
		Oversees the administration of our equity-based compensation plans.	
		Identifies and recommends candidates for election to the Board.	
		Establishes procedures for its oversight of the evaluation of the Board.	
		Recommends director compensation.	
		Reviews annually our corporate governance policies.	

Mr. Whitman serves as our Lead Director. In that role, his primary responsibility is to preside over executive sessions of the nonemployee directors and to call meetings of the nonemployee directors as desirable. The Lead Director also chairs certain portions of Board meetings, serves as liaison between the Chairman of the Board and the nonemployee directors, and develops and approves, together with the Chairman, the agenda for Board meetings. The Lead Director will also perform other duties the Board delegates from time to time to assist the Board in fulfilling its responsibilities.

Director Independence

The Governance and Nominating Committee conducts a review at least annually of the independence of the members of the Board and its committees and reports its findings to the full Board. Six of our eight directors are nonemployee directors (all except Messrs. Isenberg and Petrello). As permitted by the rules of the NYSE, the Board has adopted categorical standards to assist it in making determinations of director independence. These standards incorporate and are consistent with the definition of "independent" contained in the NYSE listing rules. Those standards are set forth in Appendix A to this proxy statement and are also included on the Board's Corporate Governance Guidelines, which are

available on our web site at www.nabors.com. The Board has affirmatively determined that each of our nonemployee directors, William T. Comfort, Alexander M. Knaster, James L. Payne, Hans W. Schmidt, Myron M. Sheinfeld, and Martin J. Whitman meets these standards and is independent. Other than the transactions, relationships, and arrangements described in the section entitled Related Person

¹ Mr. Comfort joined the Compensation Committee and Governance and Nominating Committee upon his appointment to the Board on February 22, 2008.

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Transactions , there were no other transactions, relationships, or arrangements considered by the Board in determining that a director was independent.

The Board has determined that Mr. Whitman is an audit committee financial expert as defined under the current rules of the SEC.

Nominations for Directors

The Governance and Nominating Committee recommends director candidates to the full Board after receiving input from all directors. The Governance and Nominating Committee will consider director candidates recommended by shareholders. The Governance and Nominating Committee considers the entirety of each candidate's credentials and does not have specific, minimum qualifications that nominees must meet. The committee is guided by the following basic selection criteria for all nominees: independence, highest character and integrity, experience, reputation, and sufficient time to devote to Board matters. The committee also gives consideration to diversity, age, international background and experience, and specialized expertise in the context of the needs of the Board as a whole. The Committee has the authority to engage consultants, including retained search firms to help identify new director candidates. The policy adopted by the Committee provides that candidates recommended by shareholders are given appropriate consideration in the same manner as other candidates. Shareholders who wish to submit candidates for director for consideration by the Governance and Nominating Committee for election at our 2009 Annual Meeting of Shareholders may do so by submitting in writing such candidates names, together with the information described on our web site at www.nabors.com, to Board of Directors, Nabors Industries Ltd., P.O. Box HM3349, Hamilton, HMPX, Bermuda, prior to December 30, 2008.

Shareholder and Interested Parties Communications with the Board

Shareholders and other interested parties may contact any of the Company's directors, a committee of the Board of Directors, the Board's independent directors as a group or the Board generally, by writing to them at Nabors Industries Ltd., c/o Corporate Secretary, at the address shown on the cover of this proxy statement. Shareholder communications received in this manner will be handled in accordance with procedures approved by the Board's independent directors. The Board's Policy Regarding Shareholder Communications with the Board of Directors is available at www.nabors.com. The Company encourages directors to attend the annual general meeting of shareholders. Four directors attended the 2007 annual general meeting of shareholders.

Executive Sessions of Nonemployee Directors

Our nonemployee directors meet in executive session at each regular meeting of the Board without the Chief Executive Officer or any other member of management present. The Lead Director presides over these executive sessions.

NONEMPLOYEE DIRECTOR COMPENSATION

We believe that it is important to attract and retain outstanding nonemployee directors. One way we achieve this goal is through a competitive compensation program. Nabors compensates its nonemployee directors through a combination of an annual retainer and stock incentive awards. For 2007 each director received an annual retainer of \$50,000; the Chairman of each committee received an additional retainer of \$50,000 (except the Chairman of the Audit Committee, who received \$100,000), and the Lead Director received an annual retainer of \$50,000 for service in this capacity. No additional amounts are paid for attendance at Board or committee meetings.

Nabors also issues equity incentives to its nonemployee directors to align their interests with Nabors' shareholders. Awards are made pursuant to equity incentive plans adopted from time to time. During 2006 and 2007 the Governance and Nominating Committee retained Towers Perin to conduct a competitive assessment of our nonemployee director compensation program. Following this review, the Board agreed in March 2006 to reduce the equity component of nonemployee director compensation from an annual award of 20,000 shares of restricted stock to an annual award of 15,000 shares of restricted stock. The Board agreed in February 2007 again to reduce the equity component of nonemployee director compensation to an annual award of 12,000 shares of restricted stock.

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The following table sets forth information concerning total director compensation during the 2007 fiscal year for each nonemployee director.

2007 Director Compensation Table

Name(4)	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1)(2)	Option Awards (\$)(3)	Change in Pension Value and Nonqualified Non-Equity Deferred Incentive Plan Compensation Earnings			All Other Compensation (\$)(5)	Total (\$)
				(\$)	(\$)	(\$)		
Alexander M. Knaster	50,000	451,250	119,264	0	0	0	0	620,514
James L. Payne	100,000	451,250	19,054	0	0	0	0	570,304
Hans W. Schmidt	100,000	451,250	19,054	0	0	0	0	570,304
Myron M. Sheinfeld	150,000	451,250	21,436	0	0	0	0	622,686
Martin J. Whitman	150,000	451,250	21,436	0	0	27,021	0	649,707

- (1) The amounts shown on the Stock Awards column reflect the compensation cost related to restricted stock awards included in Nabors' financial statements for fiscal year 2007, computed in accordance with Statement of Financial Accounting Standards No. 123(R) (SFAS No. 123(R)). For a discussion of valuation assumptions, see Nabors Annual Report on Form 10-K for the year ended December 31, 2007.
- (2) Each nonemployee director received a restricted stock award of 12,000 shares on February 22, 2008 that vests over three years. As a new member of the board, William Comfort received an additional restricted stock award of 12,000 shares on February 22, 2008. For 2008, the grant date fair value of the restricted stock award is based on Nabors' stock price of \$30.90 per share, which is the closing price of Nabors' stock on the grant date. As of December 31, 2007, the aggregate number of restricted stock awards outstanding are: Alexander Knaster 28,666 shares; James Payne 28,666 shares; Hans Schmidt 28,666 shares; Myron Sheinfeld 28,666 shares and Martin Whitman 28,666 shares.
- (3) The amounts shown on the Option Awards column reflect the compensation cost related to stock option awards included in Nabors' financial statements for fiscal year 2007, computed in accordance with Statement of Financial Accounting Standards No. 123(R) (SFAS No. 123(R)). For a discussion of valuation assumptions, see Nabors Annual Report on Form 10-K for the year ended December 31, 2007. There were no stock option awards granted to nonemployee directors during 2007. As of December 31, 2007, the aggregate number of stock options outstanding are: Alexander Knaster 60,000; James Payne 171,668; Hans Schmidt 383,000; Myron Sheinfeld 295,000 and Martin Whitman 335,000.
- (4) Messrs. Isenberg and Petrello, who are employees of the Company, are not included in this table. Their compensation is discussed in our Compensation Discussion and Analysis section beginning on page 13 and is

included in the Summary Compensation Table on page 18.

- (5) With respect to personal use of the corporate aircraft, amounts in this column reflect the incremental variable operating costs to the Company (which include fuel, landing fees, on board catering and crew travel expenses), less amounts reimbursed by Mr. Whitman at applicable IRS rates.

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Stock ownership of directors and executive officers. We encourage our directors, officers and employees to own our common stock; owning our common stock aligns their interests with your interests as shareholders. Ownership of Company stock ties a portion of their net worth to the Company's stock price and provides a continuing incentive for them to work toward superior long-term stock performance. The following table sets forth the beneficial ownership of common stock, as of April 4, 2008, by each of our current directors and named executive officers (Named Executive Officers or NEOs), and by all our current directors and executive officers as a group:

Beneficial Owner(1)	Common Shares Beneficially Owned	
	Number of Shares	Percent of Total(2)
Directors		
William T. Comfort(2)	124,000	*
Eugene M. Isenberg(2)(3)	19,137,921	5.97%
Alexander M. Knaster(2)	319,000	*
James L. Payne(2)	238,768	*
Anthony G. Petrello(2)	11,636,328	3.69%
Hans W. Schmidt(2)	407,500	*
Myron M. Sheinfeld(2)(4)	383,270	*
Martin J. Whitman(2)(5)	607,038	*
Named Executive Officers		
Bruce P. Koch(2)	40,735	*
Mark D. Andrews(2)	1,597	*
All Directors/Executive Officers as a group (10 persons)(2)-(5)	32,896,157	9.97%

* Less than 1%

(1) The address of each of the directors and officers listed is in care of Nabors Industries Ltd., P.O. Box H