



Nabors Industries Ltd.

Q&A Regarding Warrants

1. Why has Nabors Industries Ltd. (“Nabors”) issued warrants as a distribution on its common shares?

Nabors is seeking to maximize shareholder value, strengthen its capital structure, and improve its balance sheet leverage. The warrants are being issued as part of an innovative and proprietary shareholder warrant incentivizing deleveraging (or SWID™) transaction. The warrant distribution is structured to create a path for shareholders to capture value in a nondilutive warrant distribution as they receive warrants in proportion to their shareholdings. Deleveraging occurs as certain designated notes of Nabors and its subsidiaries are used as consideration for the exercise of warrants to purchase common shares. This transaction also does not limit any other capital markets options for the Company.

2. Does this distribution mean that Nabors is changing its dividend policy?

No. This distribution does not mean that Nabors is changing its dividend policy. Nabors’ Board of Directors regularly reviews the dividend policy. The amount of future dividends to be paid on our common shares, if any, will be determined by our Board of Directors based on a number of factors, including but not limited to our financial performance and condition, as well as expected capital needs.

3. What did shareholders receive in the distribution?

Shareholders received two-fifths of a warrant for every common share for which they were the record holder as of June 4, 2021, with fractional warrants rounded down. Each warrant will entitle the holder to purchase a common share at an exercise price of \$166.66667 per share. Warrants submitted for exercise may be eligible to receive up to an additional one-third incentive common share, as discussed below.

4. Who received the warrants? When were the warrants issued?

All holders of record of common shares as of June 4, 2021 received warrants in the amount of two-fifths of a warrant per common share, rounded down for any fractional warrant. The warrants were issued to holders of common shares on June 11, 2021.

5. Do I have to do anything in order to receive the warrants?

No. All holders of record of common shares as of June 4, 2021 will have automatically received the warrants in book-entry form on June 11, 2021. If you hold your shares through a brokerage account, bank or financial institution and are thus a holder in street name, contact your broker for further information. If your shares are held in a registered account with Nabors’ transfer agent, contact Computershare Trust Company, N.A. 150 Royall

Street, Canton, MA 02021 Attention: Client Services Telephone: 1-877-373-6374 for further information.

6. Can I sell the warrants?

The warrants are transferable and are expected to trade on the OTCQB, although we cannot provide any assurances that an active trading market for the warrants will develop or continue or that there will be liquidity in the trading market for the warrants. You should consult your financial advisor or broker for assistance.

7. When can I exercise the warrants?

You can exercise the warrants at any time from June 11, 2021 through, and including, the Expiration Date, which is currently June 11, 2026. However, Nabors may decide at any time to accelerate the expiration date in its discretion, subject to a 20 business day notice period. Any such acceleration will be announced by press release, on Nabors' website (<https://investor.nabors.com/investor-relations-home/default.aspx>) and through Nabors' transfer agent, Computershare Trust Company, N.A.

8. What is the exercise price?

The exercise price is the amount required to be paid in cash or face value of designated notes to purchase common shares pursuant to the terms of the warrants. The initial exercise price of the warrants is \$166.66667 per common share.

9. How can I pay the exercise price?

You may exercise the warrants either by paying cash or by surrendering certain designated notes issued by Nabors or its subsidiaries. If you surrender designated notes, you will be credited the face value of those notes against the exercise price of the warrants, regardless of the notes' trading price. For example, if you exercise six warrants and surrender \$1,000 in face value of designated notes, you will receive six common shares (\$1,000 divided by the exercise price of \$166.66667), plus any applicable incentive shares if certain trading conditions in Nabors common shares are met (described in detail below).

As of the issue date, notes of the following series may be used to pay the exercise price:

Issuer	Description	144A CUSIP	Regulation S CUSIP	Unrestricted CUSIP
Nabors Industries, Inc.	5.10% Notes due 2023	629568BA3	U6295YAG8	629568BB1
Nabors Industries, Inc.	0.75% Exchangeable Notes due 2024	62957HAA3	N/A	N/A
Nabors Industries, Inc.	5.75% Notes due 2025	62957HAD7	U6295YAJ2	N/A
Nabors	7.25% Notes due	629571AA8	G63601AA9	N/A

<i>Industries Ltd.</i>	2026			
------------------------	------	--	--	--

Nabors may add or remove the right to use a particular series of notes to pay the exercise price with 20 business days' notice. If we decide to add or remove notes, we will promptly update our website and the corresponding table to reflect the change. The principal amount of any designated notes surrendered to exercise warrants in excess of the exercise price shall be forfeited to Nabors. In addition, all interest that has accrued up to, but excluding, the date that any designated notes are surrendered to exercise warrants shall be forfeited. However, any notes surrendered between a record date for an interest payment on such notes and the actual interest payment date will receive an interest payment with respect to the principal amount of such notes on the interest payment date.

10. If I decide to use bonds to pay for the exercise of the warrants, will I receive accrued interest?

No. Accrued but unpaid interest will not be paid on notes surrendered for exercise as they are being given full credit for \$1,000 principal amount regardless of their secondary market trading price.

11. How much could Nabors' debt be reduced if all the warrants are exercised using designated notes?

If all warrants distributed are fully exercised in exchange for designated notes (excluding warrants issued to Nabors' subsidiaries), the amount of our outstanding designated notes would be reduced by approximately \$538.7 million.

12. When is the deadline to submit warrants for exercise each day?

The completed and duly executed "Election to Purchase Warrant Shares" form must be received by Computershare Trust Company, N.A. by 5:00 pm (Eastern time) on the exercise date.

13. What is the process to exercise my warrants?

If you hold the warrants through a brokerage account, bank or financial institution and are thus a holder in street name, you should contact your broker, bank or other financial institution intermediary for information on how to exercise warrants. You may also contact Computershare Trust Company, N.A., the warrant agent, at 150 Royall Street, Canton, MA 02021 Attention: Client Services Telephone: 1-877-373-6374 if you have additional questions about the exercise process.

If you are a direct registration holder, to exercise your warrants, you must provide payment to Computershare Trust Company, N.A. either (i) in United States dollars by certified or official bank check or wire transfer of immediately available funds to an account designated by Nabors or (ii) by the surrender of designated notes having a face value, in each case, equal to the exercise price (\$166.66667) times the number of warrants exercised. Such payment must specify the name of the holder and the number of warrants exercised. You also are required to present the election to purchase warrant shares attached to the warrant. Any

incentive shares awarded will be based upon the share price calculation described in Question 14 as of the exercise date. Payment in the form of cash or designated notes should be received by Computershare Trust Company, N.A. promptly after the exercise date. If you have any questions or cannot locate your warrant statement, please contact Computershare Trust Company, N.A., as warrant agent.

If you use designated notes to pay the exercise price of the warrants, all principal amount of the designated notes surrendered in excess of the required exercise price will be forfeited to the Company and will not be refunded.

14. Do I have to pay anything when I exercise the warrants? How will the warrants be settled on exercise?

Yes. You will have to pay the exercise price of \$166.66667 per warrant exercised. The exercise price must be paid in cash or by surrender of designated notes when the warrants are exercised. Holders may exercise using any of the designated notes by submitting six warrants per \$1,000 in face value of designated notes to receive six common shares (plus two incentive shares if certain trading conditions in Nabors common shares are met). Settlement terms should be arranged with your broker, if in street name, or Computershare Trust Company, N.A.

15. What are the incentive shares? When do I get an incentive share?

The terms of the warrants include an incentive share component. An incentive share is an additional amount of common shares to which a warrant holder will be entitled upon exercise of warrants when the volume weighted average price of Nabors' common shares on the trading day before the exercise date (the "Reference Price") multiplied by three is at least 6% higher than the sum of the daily volume weighted average price of Nabors' common shares for each of the second, third and fourth trading day prior to the date the warrant holder exercises its warrants (the "Three Day Trailing Price").

Holders who exercise when the Reference Price multiplied by three is at least 6% higher than the Three Day Trailing Price will be entitled to receive an extra 0.33333 common shares per warrant (rounded down for any fractional common shares), with no increase in the exercise price. As a result of the rounding down of common shares, to receive the full amount of incentive shares to which it is entitled, a holder must exercise warrants in an amount sufficient that all fractional shares add up to a whole share. Otherwise, fractional shares will be rounded down to the nearest whole share.

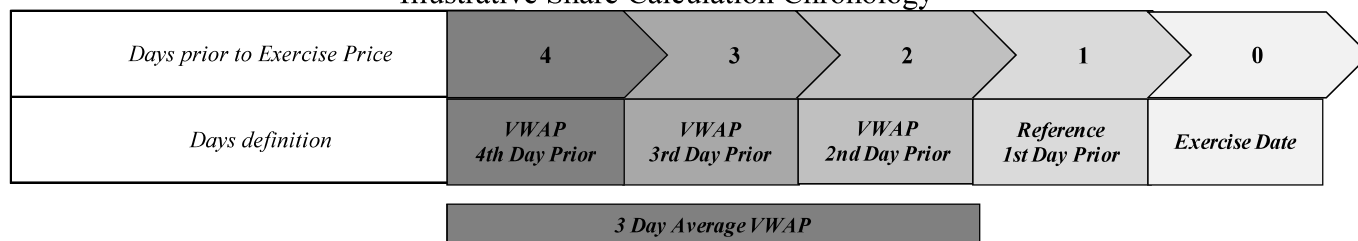
However, if the Reference Price is (a) greater than or equal to \$140.00 and (b) less than or equal to \$186.6667, the total number of common shares (including any incentive shares) you will receive upon exercising a warrant will not exceed the quotient of (x) \$186.6667 divided by (y) the Reference Price. If the Reference Price is greater than \$186.6667, no incentive shares will be awarded.

Every business day while the warrants are outstanding, Nabors will publish the foregoing calculation on its website under the "Warrants Information" tab on (<https://investor.nabors.com>) together with an indication of the number of incentive shares

that will be owed to any holder of warrants that exercises warrants on such day.

Nabors Share Price on Date of Exercise	Cash Exercise			Designated Note Exercise			
	Warrants Exercised	Cash Paid to Exercise	Nabors Common Shares Received	Warrants Exercised	Number of \$1,000 Notes Submitted to Exercise	Par Value of Notes to Exercise	Nabors Common Shares Received
<i>If the Reference Price multiplied by three is less than 6% higher than the Three Day Trailing Price</i>	1	\$166.67	1				
	6	\$1,000	6	6	1	\$1,000	6
<i>If the Reference Price multiplied by three is at least 6% higher than the Three Day Trailing Price</i>	1	\$166.67	1 ¹				
	6	\$1,000	8	6	1	\$1,000	8

Illustrative Share Calculation Chronology



16. Will the terms of the warrants change?

In addition to certain anti-dilution adjustments that may be made, Nabors has the option to alter certain of the terms of the warrants if the Price Condition is reached. The Price Condition is reached when the daily volume weighted average price of the Common Shares has been at least 75.000% of the Exercise Price for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period.

In addition, Nabors may terminate the warrants at any time upon at least 20 business days' notice.

17. What terms could change if the Price Condition is met?

Upon reaching the Price Condition, Nabors may take any, all or none of the following actions, each of which will take effect 20 business days after posting notice to its website.

- (i) *accelerate the expiration date*
- (ii) *remove the right to receive incentive shares for warrants exercised using designated notes and/or cash,*

¹ Note: No fractional common shares will be issued. Fractional amounts of common shares will be rounded down to the nearest whole number.

- (iii) *remove the ability to exercise the warrants using designated notes and/or cash,*
- (iv) *change the amount and calculation of incentive shares due for each warrant exercised.*

18. Will the warrants be adjusted for future transactions?

The initial exercise price and the number of common shares issuable upon exercise are subject to certain anti-dilution adjustments, including for stock splits, reclassifications, noncash distributions, cash dividends on the common shares in excess of certain threshold amounts, pro rata repurchases of common shares above the market price and certain issuances of common shares (or securities exercisable or convertible into or exchangeable for common shares) at a price (or having a conversion price) that is less than 95% of the market price of the common shares. In addition, Nabors may decrease the exercise price for any reason the Board of Directors considers to be advisable.

19. What happens to the warrants in the event of a merger or business combination?

In the event of certain mergers, business combinations or reclassifications, the right to receive common shares upon exercise of a warrant will be changed into a right to acquire the type and amount of securities or other property or assets that a warrant holder would have been entitled to receive had the warrant holder exercised its warrant immediately before the merger, business combination or reclassification.

20. Will the exercise of the warrants result in the issuance of additional common shares?

Yes. Upon exercise of the warrants, new common shares will be issued. However, unlike an equity offering which would have immediately resulted in the issuance of additional shares, the warrants will only result in the issuance of shares to the extent holders choose to exercise the warrants.

21. What happens to fractional warrants?

Fractional warrants were not distributed. If any fractional warrant would otherwise be required to be issued or distributed Nabors rounded down the total number of warrants to be issued to the relevant holder to the nearest whole number.

22. What will Nabors do with any cash proceeds from the exercise of the warrants?

Nabors intends to use any cash proceeds from the exercise of the warrants for the reduction of existing debt and other general corporate purposes. Exercise of warrants in exchange for designated notes will not result in any cash proceeds to Nabors.

23. Will the warrants expire?

Yes. The warrants will expire on June 11, 2026. The warrants may also expire earlier if elected by Nabors, subject to a 20 business day notice period.

24. If Nabors decides to elect to accelerate the expiration of the warrant, how quickly can that occur?

Nabors can accelerate the expiration date of the warrants at any time upon at least 20 business days' notice.

25. What happens if I do not exercise the warrants before they expire?

After the expiration date, you will no longer be entitled to exercise the warrants to purchase common shares.

26. If I do not exercise the warrants before they expire, will my preexisting ownership of common shares be affected?

No. The warrants are a separate security from any common shares of Nabors that you own. However, to the extent you do not exercise your warrants your proportional share ownership of Nabors will be diluted to extent of the warrants exercised for common shares by other holders.

27. What happens to my warrants if I sell my common shares?

You do not need to remain a common shareholder in order to hold or exercise the warrants.

28. What will the warrants be worth?

The value of the warrants for any particular holder is uncertain, and we expect the market price of the warrants to fluctuate. You should consult your financial advisor for assistance.

29. What are the U.S. federal income tax consequences of the receipt of the warrants in the distribution?

Nabors intends to treat the warrant distribution as a non-taxable distribution under Section 305(a) of the Internal Revenue Code of 1986, as amended (the "Code"). If, however, the warrant distribution were treated as a distribution subject to Section 305(b) of the Code a U.S. holder of common shares would be treated for U.S. federal income tax purposes as receiving a distribution equal to the fair market value of the warrants. In such case, the warrant distribution would be taxable as a dividend to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). You should consult your own tax advisor regarding the tax consequences of the distribution as well as the ownership, disposition and exercise of the warrants.

30. Are there any ownership limitations on the exercise of the warrants?

Yes. A holder of a warrant will not be permitted to exercise warrants if, following such exercise, the holder will have beneficial ownership of common shares in excess of 4.9% of the then issued and outstanding common shares of Nabors (excluding common shares held by its subsidiaries); provided, that if any holder beneficially owned common shares in excess of such ownership limitation at 5:00 pm on May 27, 2021, such holder will have

the right to exercise any warrants (and receive the related common shares) received by such holder in connection with the original distribution of warrants.

On May 27, 2021 Nabors' total issued and outstanding common shares (excluding common shares held by its subsidiaries) was 8,080,623.

31. Where can I obtain more information? Where can I find the number of incentive shares due for each date of exercise?

You may contact Computershare Services at 1-877-373-6374 with questions about the warrants and your rights as a warrant holder. We also encourage you to read the prospectus supplement that Nabors filed on the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system on June 11, 2021, a copy of which is also available on the "Warrants Information" tab of the investor relations page of Nabors' website at <https://investor.nabors.com>. All public notices relating to the warrants (including the daily incentive share calculation) will also be published on this website.

For information on the calculation of the number of incentive shares due on a particular date, please refer to our website listed above.

FORM OF ELECTION TO PURCHASE WARRANT SHARES¹

(to be executed only upon exercise of Warrants)

NABORS INDUSTRIES LTD.

The undersigned hereby irrevocably elects to exercise Warrants to acquire Common Shares, par value \$0.05 per share, of Nabors Industries Ltd., at an exercise price per Common Share (*plus* the Incentive Share Fraction, if any, for the applicable Exercise Date) of \$166.66667 and otherwise on the terms and conditions specified in the within Warrant Certificate and the Warrant Agreement therein referred to, surrenders all right, title and interest in the number of Warrants exercised hereby to Nabors Industries Ltd. and directs that the Common Shares deliverable upon the exercise of such Warrants, and interests in any Warrant representing unexercised Warrants, be registered or placed in the name and at the address specified below and delivered thereto. If other than the registered holder of the Warrants, the undersigned must pay all transfer taxes, assessments or similar governmental charges in connection with any exercise of such Warrants.

The undersigned hereby represents and warrants that (each Holder must choose one):

☐ upon the exercise of the number of Warrants listed below the Holder shall not Beneficially Own more than 4.9% of the then issued and outstanding Common Shares; or

☐ (i) it Beneficially Owned² more than 4.9% of the then issued and outstanding Common Shares at 5:00 pm on May 27, 2021 and (ii) upon the exercise of the Warrants listed below, the Holder shall have exercised only the Warrants that it received directly from the Company in the Warrant Distribution.

Any attempted exercise of a Warrant contrary to the immediately preceding sentence shall be void *ab initio* to the extent that such exercise violates the preceding sentence.

Method of exercise:

☐ wire transfer of immediately available funds or certified or official bank check; or

☐ surrendering Designated Notes³

Number of Warrants exercised hereby: _____

¹ For questions related to filling out this Election to Purchase Warrant Shares, please contact Computershare Trust Company, N.A., Computershare Inc. 150 Royall Street Canton, MA 02021 Attention: Client Services, Telephone: 1-877-373-6374

² "Beneficial Ownership" means ownership of Common Shares by a Person, determined in accordance with Section 382, which, for the avoidance of doubt, shall include any Common Shares such Person is treated as owning by reason of the application of the constructive ownership rules under Section 382 but shall not include any Common Shares underlying any unexercised Warrants. "Beneficially Owns" shall have a correlated meaning.

³ If you are paying the Exercise Price of the Warrants by surrendering Designated Notes, please fill in the information below in the section "Designated Notes used to pay the Exercise Price."

Number of Common Shares Beneficially
Owned prior to the exercise of the Warrants
hereby: _____

Number of Common Shares Beneficially
Owned upon the exercise of the Warrants
hereby, including the Incentive Share Fraction

Date: _____

(Signature of Owner)

(Name of Owner)

(Street Address)

(City) (State) (Zip Code)

Common Shares to be issued to:

If held in book-entry form through the Depositary:

Depositary Account Number:

Name of Agent Member:

Beneficial Owner:

If not held in book-entry form through the Depositary:

Social security or identifying number:

Name:

Street Address:

City, State and Zip Code:

Any unexercised Warrants evidenced by the exercising Holder's interest in the Warrant to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number:

Name of Agent Member:

If not in book-entry form through the Depositary:

Social security or identifying number:

Name:

Street Address:

City, State and Zip Code:

Designated Notes used to pay the Exercise Price:

Please fill out the information in the following table for each applicable series of Designated Notes:

[illegible]