

## SATISFACTION RATINGS

## ATTRIBUTES

	<u>Rating</u>	<u>Trend</u>
TOTAL SATISFACTION	LOW	UP
Pricing & Contract Terms	LOW	UP
Performance & Reliability	LOW	STABLE
Job Quality	LOW	STABLE
Safety & Environmental	AVG	STABLE
Service & Professionalism	AVG	UP
Technology	LOW	UP
Corporate Resources	AVG	UP

## WELL TYPES &amp; REGIONS

	<u>Rating</u>	<u>Trend</u>
Land Wells	AVG	UP
Offshore Wells	AVG	UP
Hor / Dir Wells	AVG	UP
U.S. & Canada	LOW	UP
Int Tx & Mid-Con	AVG	UP
Onshore Gulf Coast	VERY LOW	STABLE
Rockies & Dakotas	AVG	UP
International	AVG	UP

## Positive Changes Underway

We believe positive changes are underway at Nabors Industries. The company, which currently rates *Low* overall but is trending *Upward* in EnergyPoint's independent oilfield customer satisfaction ratings, seems to be undergoing both a cultural and strategic transformation under the new leadership of Tony Petrello, who recently replaced Gene Isenberg as CEO of the company. We are not sure if Petrello, who as the company's COO had been viewed by some as in agreement with the strategies and way of doing business pursued by Isenberg, is taking these transformational steps via his own initiative or as a result of specific direction from a seemingly increasingly proactive board. Either way, if carried out, we believe the changes in progress portend a better future for the company and its clients. We particularly view the decision to jettison certain non-core businesses to be a crucial step. The previously announced sale of its E&P investments and JV seems an especially appropriate move, as we believe oilfield suppliers that partake in the E&P side of the business can be viewed, and thus treated, as potential competitors by some clients. Accordingly, it's our feeling that such a quasi-competitor status has impeded Nabors' ability to work with certain E&P companies in the past. Other areas of rationalization announced by the company include the sale of its Gulf of Mexico offshore jackup barge rig business and potentially its international jackup rigs; the already completed sale of its oilfield hauling business in parts of Texas; and the sale of its Canadian aircraft and well-servicing businesses.

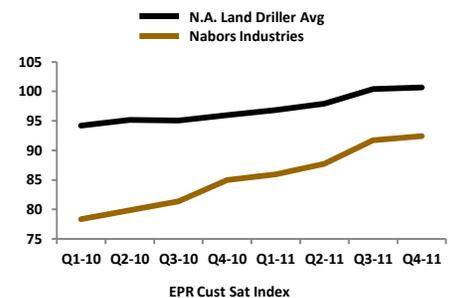
## Upward Drift

Driven by widespread efficiency and productivity gains, customer satisfaction scores for N. American land drilling contractors continue to show improvement in EnergyPoint's surveys. With ratings for four of the five major drillers we track currently on the rise, adjusted scores for the group are now up 10.1% compared to a year ago. H&P is the only domestic land driller that currently enjoys a *Very High* level of total satisfaction in EnergyPoint's proprietary rating system. We note that H&P performance as seen by customers has benefited from a more singular focus on the land drilling activities and investments, especially as compared to more acquisitive and transactional competitors like Nabors and Patterson-UTI. We were also encouraged by Petrello's recent comments on the value of long-term contracts to both Nabors and its customers. The growing incidence of longer-term contracts in the onshore drilling market, and the greater levels of visibility provided suppliers and customers, allows for more confident and consistent investment in the assets, people and operations needed to continually improve performance and efficiency.

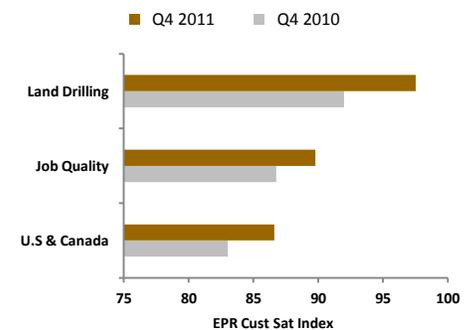
## More to Come?

Nabors continues to believe additional growth opportunities exist in international markets. Our data suggest that N. American land drillers can bring much to the table in the international arena, especially when it comes to development of shale and tight-gas reserves. If international markets do in fact become robust and deep enough, we would not be surprised to see the company refocus further by eventually separating itself from other non-drilling related businesses, including pressure pumping operations it purchased in 2010. In short, if history is any indication, Nabors' best prospects lie in swapping its Jack-of-all-trades mindset for a greater focus on a smaller, but potentially more powerful, set of core drilling activities.

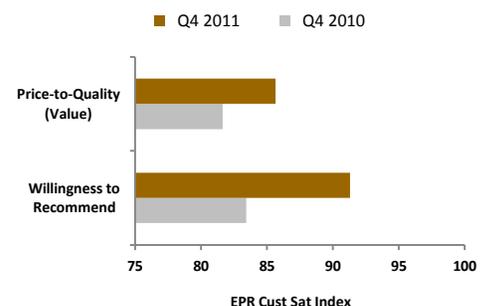
Will Recent Changes Accelerate Gains in Nabors' Customer Satisfaction?  
Ratings as % of L-T Avg



Ratings Momentum in Core Areas...  
Ratings as % of L-T Avg



...Is Leading to Ratings Gains in Other Areas as Well  
Ratings as % of L-T Avg



\* All ratings based on trailing 24-mo average.

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