



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment.](#)

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18 Can any resulting loss be recognized? ▶ [See attachment.](#)

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment.](#)

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶  Date ▶ 1/8/2021

Print your name ▶ Michael Weinstein Title ▶ Vice President, Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Nabors Industries, Inc.**  
**Attachment to Form 8937**

**Disclaimer:** The information in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account the specific circumstances that may apply to particular categories of noteholders. Each holder is urged to consult his, her or its own tax advisor regarding the consequences of the transactions described herein, including any impact on tax basis resulting therefrom.

**Lines 9 and 10 Classification and Description; CUSIP Number**

<b>Old Notes</b>	
<b>Description</b>	<b>CUSIP Number(s)</b>
4.625% Senior Notes due 2021	629568AX4
5.50% Senior Notes due 2023	62957HAC9
5.10% Senior Notes due 2023	629568BB1
5.75% Senior Notes due 2025	62957HAF2; 62957HAD7
0.75% Senior Exchangeable Notes due 2024	62957HAB1

<b>New Notes</b>	
<b>Description</b>	<b>CUSIP Number</b>
9.00% Senior Priority Guaranteed Notes due 2025	62957HAH8; U6295YAL7

**Line 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On December 1, 2020 (the “**Issue Date**”), Nabors Industries, Inc. (the “**Issuer**”) issued new 9.00% Senior Priority Guaranteed Notes due 2025 (the “**New Notes**”) in exchange for outstanding 4.625% Senior Notes due 2021, 5.50% Senior Notes due 2023, 5.10% Senior Notes due 2023, 5.75% Senior Notes due 2025 and 0.75% Senior Exchangeable Notes due 2024 (the “**Old Notes**”) and such exchange, the “**Exchange**”). For holders of Old Notes that participated in the Exchange (“**Holders**”) and tendered their Old Notes for exchange prior to an early participation date, the exchange consideration included an additional \$50 principal amount of New Notes per \$1,000 of Old Notes tendered (the “**Early Participation Premium**”). In connection with the Exchange, the Issuer also issued New Notes in exchange for certain outstanding notes that were issued by the Issuer’s indirect parent entity, Nabors Industries Ltd.

**Line 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

The Issuer intends to take the position that the exchange of a Holder’s Old Notes for New Notes resulted in a significant modification of the Old Notes for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of the Exchange to a Holder will depend

on whether the Exchange is treated as a taxable exchange or as a “recapitalization” for U.S. federal income tax purposes, which in turn will depend on whether the Old Notes and the New Notes constitute “securities” for U.S. federal income tax purposes.

If the Exchange is treated as a taxable exchange, a Holder generally will recognize gain or loss in an amount equal to the difference between (i) the “issue price” of the New Notes received (other than any New Notes that are attributable to accrued and unpaid interest on the Old Notes and subject to the discussion regarding the “Early Participation Premium” under Line 19 below) and (ii) such Holder’s adjusted tax basis in the Old Notes. A Holder’s initial tax basis in any New Notes received in such taxable exchange generally will equal the issue price of the New Notes.

If the Exchange is treated as a recapitalization, a Holder generally will not recognize any gain or loss on the Exchange (subject to the receipt of any New Notes attributable to accrued and unpaid interest and subject to the discussion regarding the “Early Participation Premium” under Line 19 below). Subject to the discussion regarding the “Early Participation Premium” under Line 19 below, a Holder’s initial tax basis in the New Notes (other than any New Notes attributable to accrued and unpaid interest on the Old Notes) generally will be the same as such Holder’s adjusted tax basis in the Old Notes exchanged therefor. In addition, if a Holder purchased Old Notes with market discount and did not elect to include market discount in income on a current basis, accrued market discount on the Old Notes generally will carry over to such Holder’s New Notes.

Holders should consult their own tax advisors as to whether the Exchange should be treated as a taxable exchange or as a recapitalization for U.S. federal income tax purposes.

**Line 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

As discussed above in Line 15, if the Exchange is treated as a taxable exchange, a Holder’s initial tax basis in any New Notes received in the Exchange generally will equal the issue price of the New Notes. The Issuer has determined that the New Notes were issued at an issue price of 95.948%, or \$959.48 per \$1,000 principal amount of New Notes, which was determined as the fair market value of the New Notes as of the Issue Date.

As discussed above in Line 15, subject to the discussion regarding the “Early Participation Premium” under Line 19 below, if the Exchange is treated as a recapitalization, a Holder’s initial tax basis in any New Notes received in the Exchange (other than any New Notes attributable to accrued and unpaid interest on the Old Notes) generally will be the same as such Holder’s adjusted tax basis in the Old Notes exchanged therefor.

**Line 17 List the applicable Internal Revenue Code section(s) upon which the tax treatment is based.**

Sections 354, 358, 368, 1001 and 1012.

**Line 18 Can any resulting loss be recognized?**

If the Exchange is treated as a taxable exchange, a Holder generally will recognize loss equal to the positive difference, if any, between (i) such Holder’s adjusted tax basis in the Old Notes and (ii) the issue price of the New Notes received in exchange therefor (other than any New Notes that are attributable to accrued and unpaid interest on the Old Notes and subject to the discussion regarding the “Early Participation Premium” under Line 19 below). If the Exchange is treated

as a recapitalization, a Holder generally will not recognize any loss on the Exchange.

**Line 19**            **Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The reportable tax year for the Exchange for each Holder is such Holder's tax year that includes December 1, 2020.

Although the U.S. federal income tax treatment of the receipt of the Early Participation Premium is not entirely clear, the Issuer intends to take the position (to the extent it is required to do so), that the Early Participation Premium should be treated as additional consideration received in exchange for the Old Notes. However, the IRS could take the position that the Early Participation Premium instead should be treated as interest or a separate fee that would be subject to tax as ordinary income. Holders are urged to consult their own tax advisors with respect to the U.S. federal income tax treatment of the Early Participation Premium.