

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.

18 Can any resulting loss be recognized? ▶ See attachment.

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

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 ▶ July 9, 2021

Print your name ▶ Mark D. Andrews Title ▶ Corporate Secretary

Paid Preparer Use Only

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

Nabors Industries Ltd.
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 holders. Each holder is urged to consult his, her or its own tax advisor regarding the consequences of the Warrant Distribution described herein, including any impact on tax basis resulting therefrom.

Lines 9, 10 and 12 Classification and Description; CUSIP Number; Ticker Symbol

Description	CUSIP Number	Ticker Symbol
Warrants	G6359F145	NBRWF
Common Shares	G6359F137	NBR

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 June 11, 2021 (the “**Distribution Date**”), Nabors Industries Ltd. (the “**Company**”) distributed warrants (“**Warrants**”) to purchase the Company’s common shares (the “**Common Shares**”) to holders of record of Common Shares as of the close of business on June 4, 2021 (the “**Warrant Distribution**”). Each holder of record of Common Shares as of June 4, 2021 received two-fifths of a Warrant (rounded down for any fractional Warrant) per Common Share as of June 4, 2021. The Warrants were issued on the terms and conditions set forth in the Warrant Agreement, dated as of June 10, 2021, between the Company and Computershare Trust Company, N.A., as Warrant Agent.

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 Warrant Distribution is intended to be treated as a non-taxable distribution with respect to a holder’s Common Shares for U.S. federal income tax purposes. The remainder of this discussion assumes such treatment.

If the fair market value of the Warrants received in the Warrant Distribution is less than 15% of the fair market value of a holder’s Common Shares on the Distribution Date, the Warrants received will be allocated a zero tax basis for U.S. federal income tax purposes, unless such holder elects to allocate tax basis in its existing Common Shares between the existing Common Shares and the Warrants in proportion to their relative fair market values on the Distribution Date.

If, however, the fair market value of the Warrants received in the Warrant Distribution is 15% or more of the fair market value of a holder’s Common Shares on the Distribution Date, such holder’s tax basis in its existing Common Shares must be allocated between the existing Common Shares and the Warrants in proportion to their relative fair market values on the Distribution Date.

If a holder has tax basis in the Warrants and allows the Warrants to expire while continuing to hold the Common Shares with respect to which the Warrants were distributed, the tax basis of such Common Shares will be restored to the tax basis of such Common Shares immediately before the receipt of the Warrants in the Warrant Distribution. If the Warrants expire after a

holder has disposed of the Common Shares with respect to which the Warrants were distributed, such holder should consult its own tax advisor regarding its ability to recognize a loss (if any) on the expiration of the Warrants.

If, at the time of the exercise of a Warrant received in the Warrant Distribution, a holder no longer holds the Common Shares with respect to which such Warrant was received, certain aspects of the tax treatment of the exercise of the Warrant are unclear, including (1) the allocation of tax basis between the Common Shares previously sold and the Warrant, (2) the impact of such allocation on the amount and timing of gain or loss recognized with respect to the Common Shares previously sold, and (3) the impact of such allocation on the tax basis of Common Shares acquired through the exercise of the Warrant. Holders that exercise Warrants received in the Warrant Distribution after disposing of the Common Shares with respect to which the Warrants were received should consult their own tax advisors as to these uncertainties.

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.**

U.S. federal income tax law does not specify the manner in which the fair market value of the Warrants and the Common Shares on the Distribution Date should be determined. One possible approach is to take the average of the high and low trading price of the Warrants and the Common Shares, respectively, on the first date on which the Warrants were traded (i.e., June 15, 2021), which was \$10.50 for the Warrants and \$121.94 for the Common Shares. However, other approaches may be reasonable.

For financial accounting purposes and for the purpose of adjusting the exchange rate of certain exchangeable notes, the Company is taking the position that the fair market value of the Warrants was \$0.84 per Warrant. However, the Company is not taking a position as to the exact fair market value of the Warrants and the Common Shares on this Form 8937 for U.S. federal income tax purposes. Holders should consult their own tax advisors as to the fair market value of the Warrants and the Common Shares on the Distribution Date for U.S. federal income tax purposes. However, in all events, the Company intends to treat the fair market value of two-fifths of a Warrant as less than 15% of the fair market value of the related Common Share on the Distribution Date, with the result that the tax basis in each Warrant is zero unless a holder elects to allocate tax basis to the Warrants as described above in Part II, Line 15.

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

Sections 305(a) and 307.

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

Holdes will not recognize any loss in connection with the receipt of the Warrants in the Warrant Distribution.

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

The reportable tax year for each holder is such holder's tax year that includes June 11, 2021.