

NABORS INDUSTRIES INC

Form 424B3

May 10, 2007

Filed Pursuant to Rule 424(b)(3)  
Registration Nos. 333-136797  
333-136797-01

Prospectus Supplement No. 7  
(To Prospectus Dated August 21, 2006)

**NABORS INDUSTRIES, INC.**

**NABORS INDUSTRIES LTD.**

**\$2,750,000,000**

**0.94% SENIOR EXCHANGEABLE NOTES DUE 2011  
GUARANTEED BY NABORS INDUSTRIES LTD.**

**COMMON SHARES, PAR VALUE U.S.\$0.001 PER SHARE, OF NABORS INDUSTRIES LTD.  
ISSUABLE UPON EXCHANGE OF THE NOTES**

**GUARANTEE OF NABORS INDUSTRIES LTD.**

This prospectus supplement, which supplements the prospectus filed by Nabors Industries, Inc. (the Company ) and Nabors Industries Ltd. ( Nabors ) on August 21, 2006, as supplemented on September 7, 2006, September 22, 2006, October 10, 2006, November 13, 2006, January 25, 2007 and March 6, 2007 will be used by selling security holders to resell the notes and the common shares issuable upon the exchange of the notes. You should read this prospectus supplement in conjunction with the related prospectus, as previously supplemented, which is to be delivered by selling security holders to prospective purchasers along with this prospectus supplement.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

You should read and rely only on the information contained in the prospectus supplements and the related prospectus, together with those documents incorporated by reference, as described on page (iii) of the related prospectus under **Incorporation By Reference**. Neither the Company, Nabors nor any selling security holder has authorized any person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The selling security holders are offering to sell, and are seeking offers to buy, the securities only in jurisdictions where offers and sales are permitted. Neither this prospectus supplement nor the related prospectus, as previously supplemented, constitutes an offer to sell, or a solicitation of an offer to buy, any securities by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. You should not assume that the information contained in this prospectus supplement or the related prospectus, as previously supplemented, is accurate as of any date other than the date on the front cover of the respective document.

*Investing in the notes or Nabors common shares issuable upon exchange of the notes involves risks.  
See Risk Factors, beginning on page 5 of the related prospectus.*

The date of this prospectus is May 10, 2007.

The information set forth in the following table modifies and supplements the information set forth in the table appearing under the heading **Selling Security Holders** in the related prospectus. The information is based on information provided to the Company and Nabors by or on behalf of the selling security holders on or prior to May 10, 2007 and has not been independently verified by the Company and Nabors. Since the date on which each selling security holder identified below provided this information, any of these selling security holders may have sold, transferred or otherwise disposed of all or a portion of its securities in transactions exempt from the registration requirements of the Securities Act or pursuant to the prospectus to which this prospectus supplement relates. The selling security holders may from time to time offer and sell pursuant to the prospectus or supplements thereto any or all of the securities. Because the selling security holders are not obligated to sell securities, the Company cannot estimate the amount of the notes or how many of Nabors' common shares the selling security holders will hold upon consummation of any such sales. Information about other selling security holders, if any, will be provided in one or more prospectus supplements or post-effective amendments to the registration statement of which the prospectus is a part.

Name	<b>0.94% Senior Exchangeable Notes Due 2011</b>			<b>Common Shares</b>	
	<b>Principal Amount of Notes</b>	<b>Percentage of Notes</b>	<b>Nabors' Common Shares</b>	<b>Number of Shares Offered</b>	<b>Number of Shares Held After Offering</b>
	<b>Beneficially Owned and Offered Hereby</b>	<b>Outstanding Before Offering</b>	<b>Owned Prior to the Offering(1)(2)</b>	<b>for Sale(1)</b>	<b>Offering</b>
Citigroup Global Markets Inc. (3)	92,439,000	3.36%	2,244,573	2,017,213	227,360
DKR SoundShore Oasis Holding Fund Ltd. (4)	5,000,000	*	109,110	109,110	0
Goldman, Sachs & Co. (5)	5,000,000	*	1,815,513	109,110	1,696,393
The Master Trust Bank of Japan, Ltd., as trustee for AIG US CB Mother Fund	1,000,000	*	21,822	21,822	0
RCG Latitude Master Fund, Ltd. (6)	10,672,000	*	232,885	232,885	0
RCG PB Ltd. (6)	2,691,000	*	58,723	58,723	0
Sanno Point Master Fund Ltd. (7)	4,000,000	*	218,220	87,288	130,932
Xavex Convertible Arbitrage 5 (6)	637,000	*	13,900	13,900	0

\* less than one percent

(1) Includes Nabors common shares issuable upon

exchange of the notes based on the initial exchange rate of 21.8221 common shares per \$1,000 principal amount of the notes. However, on exchange, the principal amount of the notes will be paid in cash and the exchange rate is subject to adjustment as described under Description of the Notes Exchange of Notes, in the related prospectus. As a result, the number of common shares issuable upon exchange of the notes may increase or decrease in the future.

- (2) In calculating the number of Nabors Common Shares Owned Prior to the Offering, we treated as outstanding the number of Nabors common shares issuable upon exchange of all of that particular holder's notes in accordance with

the applicable  
referenced  
exchange rates.

- (3) Citigroup  
Global Markets  
Inc. ( Citigroup )  
is a subsidiary  
of Citigroup  
Inc., a  
publicly-held  
entity, and has  
identified itself  
as a  
broker-dealer.  
Citigroup  
participated as  
co-book runner  
for the private  
offering of the  
notes. The  
number of  
Nabors  
Common Shares  
Owned Prior to  
the Offering by  
Citigroup  
includes  
\$7,969,000  
principal  
amount of our  
Series B Zero  
Coupon Senior  
Exchangeable  
Notes Due 2023  
(exchangeable  
for Nabors  
common shares  
at the exchange  
rate of 28.5306  
common shares  
per \$1,000  
principal  
amount of  
notes).

- (4) The investment  
manager of  
DKR  
SoundShore  
Oasis Holding

Fund Ltd. (the Fund ) is DKR Oasis Management Company LP (the Investment Manager ). The Investment Manager has the authority to do any and all acts on behalf of the Fund, including voting any securities held by the Fund. Mr. Seth Fischer is the managing partner of Oasis Management Holdings LLC, one of the general partners of the Investment Manager. Mr. Fischer has ultimate responsibility for investments with respect to the Fund. Mr. Fischer disclaims beneficial ownership of the securities.

- (5) Goldman Sachs & Co. ( Goldman ) has identified itself as a registered broker-dealer and subsidiary of a publicly held entity, GS Group, Inc. The Aggregate Principal Amount of

Notes Owned  
and Offered  
Hereby does not  
include  
\$23,033,000  
aggregate  
principal  
amount of notes  
owned by  
Goldman that  
are freely  
transferable.  
The number of  
Nabors  
Common Shares  
Owned Prior to  
the Offering  
includes  
(i) shares  
issuable upon  
exchange of  
such  
\$23,033,000  
aggregate  
principal  
amount of the

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notes which are  
freely  
transferable,  
(ii) shares  
issuable upon  
exchange of  
\$29,000,000  
aggregate  
principal amount  
of our Zero  
Coupon  
Convertible  
Senior  
Debentures due  
2021  
(exchangeable  
for Nabors  
common shares  
at the exchange  
rate of 14.149  
common shares  
per \$1,000  
principal amount  
of debentures),  
(iii) 458,774  
Nabors common  
shares held  
directly by  
Goldman and  
(iii) 334,670  
Nabors common  
shares that  
represent shares  
issuable upon  
exchange of  
certain of Nabors  
exchangeable  
notes or are held  
directly by  
Goldman for  
trading in certain  
over-the-counter  
markets.

- (6) Ramius Capital  
Group, L.L.C.  
( Ramius Capital )  
is the investment  
adviser of RCG



Latitude Master Fund, Ltd. ( Latitude ) and has voting control and investment discretion over securities held by Latitude. Ramius Capital disclaims beneficial ownership of the shares held by Latitude. Peter A. Cohen, Morgan B. Stark, Thomas W. Strauss and Jeffrey M. Solomon are the sole managing members of C4S & Co., L.L.C., the sole managing member of Ramius Capital. As a result, Messrs. Cohen, Stark, Strauss and Solomon may be considered beneficial owners of any shares deemed to be beneficially owned by Ramius Capital. Messrs. Cohen, Stark, Strauss and Solomon disclaim beneficial ownership of these shares.

The investment advisor to each of RCG Latitude Master Fund,

Ltd., RCG PB  
Ltd., and Xavex  
Convertible  
Arbitrage 5 is  
Ramius Capital  
Group, L.L.C.  
An affiliate of  
Ramius Capital  
Group L.L.C. is  
a NASD  
member.

However, we are  
informed that  
this affiliate will  
not sell any  
shares purchased  
in this offering  
by RCG Latitude  
Master Fund,  
Ltd. and will  
receive no  
compensation  
whatsoever in  
connection with  
sales of shares  
purchased in this  
transaction.

- (7) David Hammond  
and Mark  
Tanaka of Sanno  
Point Capital  
Management  
L.L.C., 623 Fifth  
Avenue 16<sup>th</sup>  
Floor, New  
York, NY 10022  
are the Portfolio  
Managers and  
are jointly  
responsible for  
all investment  
decisions of the  
beneficial owner  
in Item 1(a),  
Sanno Master  
Fund Ltd.

The Aggregate  
Principal  
Amount of Notes

Owned and  
Offered Hereby  
does not include  
\$6,000,000  
aggregate  
principal amount  
of notes owned  
by Sanno Point  
Master Fund Ltd.  
that are freely  
transferable and  
the number of  
Nabors Common  
Shares Owned  
Prior to the  
Offering  
includes shares  
issuable upon  
exchange of such  
\$6,000,000  
aggregate  
principal amount  
of the notes  
which are freely  
transferable.