

NABORS INDUSTRIES LTD

Form 424B3

November 13, 2006

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

Prospectus Supplement No. 4  
(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 and October 10, 2006 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 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 November 13, 2006.

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 November 13, 2006 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                                                | 0.94% Senior Exchangeable<br>Notes Due 2011                                          |                                                                | Common Shares                                                         |                                               |                                               |
|-----------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
|                                                     | Principal<br>Amount of<br>Notes<br>Beneficially<br>Owned and<br>Offered<br>Hereby(1) | Percentage<br>of<br>Notes<br>Outstanding<br>Before<br>Offering | Nabors<br>Common<br>Shares<br>Owned<br>Prior to the<br>Offering(1)(2) | Number of<br>Shares<br>Offered<br>for Sale(3) | Number of<br>Shares Held<br>After<br>Offering |
| Benchmark Select Managers<br>Fund (4)               | 1,250,000                                                                            | *                                                              | 28,002                                                                | 27,277                                        | 725                                           |
| Citigroup Global Markets<br>Inc. (5)                | 82,439,000                                                                           | 3%                                                             | 1,798,992                                                             | 1,798,992                                     | 0                                             |
| Credit Industriel Et<br>Commercial                  | 5,000,000                                                                            | *                                                              | 109,110                                                               | 109,110                                       | 0                                             |
| GLG Market Neutral Fund<br>(6)                      | 115,000,000                                                                          | 4.18%                                                          | 2,509,541                                                             | 2,509,541                                     | 0                                             |
| JP Morgan Securities Inc (7)                        | 43,500,000                                                                           | 1.58%                                                          | 949,261                                                               | 949,261                                       | 0                                             |
| LibertyView Convertible<br>Arbitrage Fund LP (8)    | 3,000,000                                                                            | *                                                              | 65,466                                                                | 65,466                                        | 0                                             |
| LibertyView Funds LP (9)                            | 10,725,000                                                                           | *                                                              | 247,417                                                               | 234,042                                       | 13,375                                        |
| LibertyView Japan Trust<br>Fund LP (10)             | 1,250,000                                                                            | *                                                              | 28,002                                                                | 27,277                                        | 725                                           |
| Polygon Global<br>Opportunities Master Fund<br>(11) | 45,000,000                                                                           | 1.64%                                                          | 3,690,624                                                             | 981,994                                       | 2,708,630                                     |

|                                                                       |           |   |         |         |       |
|-----------------------------------------------------------------------|-----------|---|---------|---------|-------|
| Trust D for a Portion of the Assets of the Kodak Retirement Fund (12) | 9,025,000 | * | 202,019 | 196,944 | 5,075 |
|-----------------------------------------------------------------------|-----------|---|---------|---------|-------|

\* 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. 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) Shares selling security holders may, but are not obligated to, sell consist of Nabors common shares issuable upon exchange of the notes, assuming exchange of all of the holders notes into Nabors common shares at an exchange rate of 21.8221 common shares per \$1,000 principal amount of the notes and a cash payment in lieu of any fractional share interest. 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.

- (4) The number of Nabors Common Shares Owned Prior to the Offering by Benchmark Select Managers Fund includes 725 Nabors common shares held as shares rather than issuable pursuant to exchange. Richard Meckler has the power to vote and dispose of the securities held by the selling security holder.

- (5) 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  
securities.  
Principal  
Amount of  
Notes  
Beneficially  
Owned and  
Offered Hereby  
includes  
\$54,939,000  
aggregate  
principal  
amount of  
0.94% Senior  
Exchangeable  
Notes due 2011  
previously  
registered  
pursuant to  
Prospectus  
Supplement  
No. 1 filed on  
September 7,  
2006 and  
\$72,439,000  
aggregate  
principal  
amount of  
0.94% Senior  
Exchangeable  
Notes due 2011  
previously  
registered  
pursuant to

Prospectus  
Supplement  
No. 2 filed on  
September 22,  
2006

- (6) GLG Market Neutral Fund is a publicly-owned company listed on the Irish Stock Exchange. GLG Partners LP, an English limited partnership, acts as the investment manager of the fund and has voting and dispositive power over the securities held by the fund. The general partner of GLG Partners LP is GLG Partners Limited, an English limited company. The shareholders of GLG Partners Limited are Noam Gottesman, Pierre Lagrange, Jonathan Green, Philippe Jabre and Lehman Brothers (Cayman) Limited, a subsidiary of Lehman Brothers Holdings, Inc., a publicly-held entity. The



managing  
directors of  
GLG Partners  
Limited are  
Noam  
Gottesman,  
Pierre Lagrange  
and Emmanuel  
Roman and, as a  
result, each has  
voting and  
dispositive  
power over the  
securities held  
by the fund.  
GLG Partners,  
LP, GLG  
Partners  
Limited, Noam  
Gottesman,  
Pierre Lagrange  
and Emmanuel  
Roman disclaim  
beneficial  
ownership of  
the securities  
held by the  
fund, except for  
their pecuniary  
interest therein.  
Principal  
Amount of  
Notes  
Beneficially  
Owned and  
Offered Hereby  
includes  
\$110,000,000  
aggregate  
principal  
amount of  
0.94% Senior  
Exchangeable  
Notes due 2011  
previously  
registered  
pursuant to  
Prospectus  
Supplement  
No. 2 filed on  
September 22,

2006.

- (7) JPMorgan Securities Inc. is a subsidiary of JPMorgan Chase Co., a publicly-held entity and is a registered broker-dealer and does not have voting or investment power over the respective securities. Principal Amount of Notes Beneficially Owned and Offered Hereby includes \$33,500,000 aggregate principal amount of 0.94% Senior Exchangeable Notes due 2011 previously registered pursuant to Prospectus Supplement No. 3 filed on October 10, 2006.
- (8) The general partner and the investment advisor of the LibertyView Convertible Arbitrage Fund LP ( LibertyView Convertible ) are both indirect

subsidiaries of  
Lehman  
Brothers  
Holdings, Inc., a  
publicly-held  
entity.  
LibertyView  
Convertible is  
advised by  
Neuberger  
Berman, LLC,  
which has  
voting and  
dispositive  
power over the  
securities held  
by the fund,  
which is  
exercised by  
Richard A.  
Meckler. The  
General Partner  
of LibertyView  
Convertible is  
Neuberger  
Berman Asset  
Management,  
LLC, which is  
affiliated with  
Neuberger  
Berman, LLC, a  
registered  
broker-dealer.  
The securities  
were purchased  
for investment  
in the ordinary  
course of  
business and at  
the time of  
purchase, there  
were no  
agreements or  
understandings,  
directly or  
indirectly, with  
any person to  
distribute such  
securities.

(9)

The general partner and the investment advisor of the LibertyView Funds LP ( LibertyView Funds ) are both indirect subsidiaries of Lehman Brothers Holdings, Inc., a publicly-held entity. The number of Nabors Common Shares Owned Prior to the Offering by LibertyView Funds includes 13,375 Nabors common shares held as shares rather than issuable pursuant to exchange. LibertyView Funds is advised by Neuberger Berman, LLC, which has voting and dispositive power over the securities held by the fund, which is exercised by Richard A. Meckler. The General Partner of LibertyView Funds is Neuberger Berman Asset Management, LLC, which is affiliated with

Neuberger  
Berman, LLC, a  
registered  
broker-dealer.

The securities  
were purchased  
for investment  
in the ordinary  
course of  
business and at  
the time of  
purchase, there  
were no  
agreements or  
understandings,  
directly or  
indirectly, with  
any person to  
distribute such  
securities.

- (10) The number of  
Nabors  
Common Shares  
Owned Prior to  
the Offering by  
LibertyView  
Japan Trust  
Fund LP  
includes 725  
Nabors common  
shares held as  
shares rather  
than issuable  
pursuant to  
exchange.  
Richard  
Meckler has the  
power to vote  
and dispose of  
the securities  
held by the  
selling security  
holder.

- (11) The number of  
Nabors  
Common Shares  
Owned Prior to  
the Offering by  
Polygon Global

Opportunities  
Master Fund  
includes  
2,708,630  
Nabors common  
shares held as  
shares rather  
than issuable  
pursuant to  
exchange.

- (12) The number of  
Nabors  
Common Shares  
Owned Prior to  
the Offering by  
Trust D for a  
Portion of the  
Assets of the  
Kodak  
Retirement  
Income Plan  
includes 5,075  
Nabors common  
shares held as  
shares rather  
than issuable  
pursuant to  
exchange.  
Richard  
Meckler has the  
power to vote  
and dispose of  
the securities  
held by the  
selling security  
holder.