

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 | 0.94% Senior Exchangeable | | | Common Shares | |
|--|-----------------------------|---------------------|---|--------------------------|--------------------------------------|
| | Notes Due 2011 | | | Number of Shares Offered | Number of Shares Held After Offering |
| | Principal Amount of Notes | Percentage of Notes | Nabors' Common Shares Owned Prior to the Offering(1)(2) | | |
| Beneficially Owned and Offered Hereby | Outstanding Before Offering | | | | |
| 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

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 16th
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.