

NABORS INDUSTRIES LTD
Form 8-K
December 09, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 9, 2016**

Nabors Industries Ltd.

(Exact Name of Registrant as Specified in its Charter)

Commission File Number: **001-32657**

Bermuda
(State of Incorporation)

98-0363970
(IRS Employer Identification No.)

Crown House
4 Par-la-Ville Road
Second Floor
Hamilton, HM08 Bermuda

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(Address of principal executive offices) (zip code)

(441) 292-1510

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

As previously disclosed, on December 2, 2016, Nabors Industries, Inc. (NII), a wholly owned subsidiary of Nabors Industries Ltd. (NIL), and NIL entered into a purchase agreement under which NII agreed to sell \$600 million aggregate principal amount of its 5.5% Senior Notes due 2023 (the Notes) to Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA Inc., Citigroup Global Markets Inc., HSBC Securities (USA) Inc., Wells Fargo Securities, LLC and MUFG Securities Americas Inc. (collectively, the Initial Purchasers). The Notes are fully and unconditionally guaranteed by NIL. The closing of the sale of the Notes occurred on December 9, 2016. NII received net proceeds, after deducting estimated offering commissions and estimated net expenses, of approximately \$587.3 million. The proceeds from the sale of the Notes are intended to be used to prepay the \$162.5 million portion due in 2018 under NII 's \$325.0 million unsecured term loan and all amounts currently outstanding under NII 's unsecured revolving credit facility, which matures in 2020. Any proceeds not used for such purposes will be used for general corporate purposes, including to repay amounts outstanding under NII 's commercial paper program and to repurchase or repay other indebtedness of NIL and its subsidiaries.

NII sold the Notes to the Initial Purchasers in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the Securities Act). The Initial Purchasers then sold the Notes to (i) qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A and (ii) pursuant to Regulation S under the Securities Act. NII relied on these exemptions from registration based in part on representations made by the Initial Purchasers in the Purchase Agreement.

The Notes are governed by an indenture, dated as of December 9, 2016 (the Indenture), among NII, as issuer, NIL, as guarantor, Wilmington Trust, National Association, as trustee and Citibank, N.A., as securities administrator.

The Notes will bear interest at a rate of 5.5% per year payable semi-annually in arrears in cash on January 15 and July 15, beginning on July 15, 2017. The Notes will mature on January 15, 2023.

The Indenture includes covenants customary for transactions of this type that, subject to significant exceptions, limit the ability of NIL and its subsidiaries to, among other things, incur certain liens or enter into sale and leaseback transactions. In the event of a Change of Control Triggering Event (as defined in the Indenture) with respect to the Notes, the holders of the Notes may require NII to purchase all or a portion of their Notes at a purchase price equal to 101% of the principal amount of the Notes so purchased, plus accrued and unpaid interest, if any. The Notes are redeemable in whole or in part at any time at the option of NII at the redemption prices specified in the Indenture, plus accrued and unpaid interest.

The Notes will rank equal in right of payment to all of NII 's other existing and future senior unsubordinated indebtedness. The Notes will rank senior in right of payment to all of NII 's existing and future senior subordinated and subordinated indebtedness. NIL 's guarantee of the Notes will be unsecured and will rank equal in right of payment to all of NIL 's unsecured and unsubordinated indebtedness from time to time outstanding.

A copy of the Indenture is included in this Form 8-K as Exhibit 4.1 and incorporated herein by reference. The summary description of the Indenture in this report is qualified in its entirety by reference to Exhibit 4.1.

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On December 9, 2016, NII, NIL, and Morgan Stanley & Co. LLC, as representative of the Initial Purchasers, entered into a registration rights agreement for the Notes (the "Registration Rights Agreement"), which requires NII and NIL to file a registration statement with the Securities and Exchange Commission to register an offer to exchange the Notes for registered notes of the same series with substantially identical terms (other than restrictions on transfer and provisions for additional interest) by October 5, 2017.

A copy of the Registration Rights Agreement is included in this Form 8-K as Exhibit 4.2 and incorporated herein by reference. The summary description of the Registration Rights Agreement in this report is qualified in its entirety by reference to Exhibit 4.2.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 above regarding the issuance of the Notes is hereby incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|--|
| 4.1 | Indenture, dated as of December 9, 2016 by and among Nabors Industries, Inc., Nabors Industries Ltd., as Guarantor, Citibank, N.A., as securities administrator and Wilmington Trust, National Association, as trustee. |
| 4.2 | Registration Rights Agreement relating to the Notes, dated as of December 9, 2016 by and among Nabors Industries, Inc., as Issuer, Nabors Industries Ltd., as Guarantor and Morgan Stanley & Co. LLC, as Representative of the several initial purchasers named on Schedule A thereto. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NABORS INDUSTRIES LTD.

Date: December 9, 2016

By:

/s/ Mark D. Andrews
Name: Mark D. Andrews
Title: Corporate Secretary

Exhibit Index

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| 4.2 | Registration Rights Agreement, dated as of December 9, 2016 by and among Nabors Industries, Inc., as Issuer, Nabors Industries Ltd., as Guarantor, and Morgan Stanley & Co. LLC, as Representative of the several initial purchasers named on Schedule A thereto. |