SECURITIES AND EXCHANGE COMMISSION

FORM S-4

Registration of securities issued in business combination transactions

Filing Date: **1994-07-08**
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FILER

NOBLE DRILLING CORP

CIK:**777201**| IRS No.: **730374541** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4** | Act: **33** | File No.: **033-54495** | Film No.: **94538348**
SIC: **1381** Drilling oil & gas wells

Mailing Address
10370 RICHMOND AVE STE 400
HOUSTON TX 77042

Business Address
10370 RICHMOND AVE STE 400
HOUSTON TX 77042
7139743131

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 8, 1994

REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NOBLE DRILLING CORPORATION
(Exact name of registrant as specified in its charter)

<TABLE>

<S>	<C>	<C>
DELAWARE	1381	73-0374541
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

10370 RICHMOND AVENUE, SUITE 400 HOUSTON, TEXAS 77042 (713) 974-3131 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	JAMES C. DAY CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER NOBLE DRILLING CORPORATION 10370 RICHMOND AVENUE, SUITE 400 HOUSTON, TEXAS 77042 (713) 974-3131 (Name, address, including zip code, and telephone number, including area code, of agent for service)

</TABLE>

Copies to:

<TABLE>

<S>	<C>
ROBERT D. CAMPBELL THOMPSON & KNIGHT, A PROFESSIONAL CORPORATION 1700 PACIFIC AVENUE, SUITE 3300 DALLAS, TEXAS 75201 (214) 969-1700	KEITH R. FULLENWEIDER VINSON & ELKINS L.L.P. 2500 FIRST CITY TOWER 1001 FANNIN HOUSTON, TEXAS 77002-6760 (713) 758-2222

</TABLE>

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: Upon the effective date of the Merger described in this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Common Stock, par value $.10 per share..........	28,844,280(1)	$ 5.5625(2)	$160,446,307(2)	$ 55,326
Common Stock, par value $.10 per share..........	480,000(3)	$ 7.8750(4)	$ 3,780,000(4)	$ 1,303
$1.50 Convertible Preferred Stock, par value $1.00 per share..............................	4,025,000(5)	$23.0625(6)	$ 92,826,562(6)	$ 32,009
Common Stock, par value $.10 per share..........	--(7)	--	--	None

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TOTAL..............................	$257,052,869	$ 88,638

(1) Consists of (a) 28,598,835 shares of Noble Common Stock issuable upon the conversion pursuant to the Merger of currently outstanding shares of Chiles Common Stock and (b) 245,445 shares of Noble Common Stock issuable upon the conversion pursuant to the Merger of shares of Chiles Common Stock that may be issued prior to consummation of the Merger pursuant to the exercise of currently outstanding Chiles Options.
(2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(f), based on the average of the high and low sales prices for Chiles Common Stock on the American Stock Exchange on June 30, 1994.
(3) Consists of shares issuable pursuant to the Merger in exchange for and upon the cancellation of currently outstanding Chiles Options.
(4) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(c), based on the average of the high and low sales prices for Noble Common Stock in the NASDAQ National Market System on June 30, 1994.
(5) Consists of shares issuable upon the conversion pursuant to the Merger of currently outstanding shares of Chiles Preferred Stock.
(6) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(f), based on the average of the high and low sales prices for Chiles Preferred Stock on the American Stock Exchange on July 1, 1994.
(7) Represents an indeterminable number of shares of Noble Common Stock issuable (a) upon the conversion pursuant to the Merger of shares of Chiles Common Stock that may be issued prior to the consummation of the Merger pursuant to the conversion of currently outstanding shares of Chiles Preferred Stock in respect of which shares of Noble Common Stock no registration fee is being paid because it is being paid in respect of the shares of Noble $1.50 Convertible Preferred Stock registered hereunder, and (b) from time to time upon conversion of the Noble $1.50 Convertible Preferred Stock in respect of which shares of Noble Common Stock no registration fee is required pursuant to Rule 457(i) because such shares will be issued for no additional consideration.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

NOBLE DRILLING CORPORATION

CROSS-REFERENCE SHEET
PURSUANT TO ITEM 501(b) OF REGULATION S-K

ITEM NO.	ITEM IN FORM S-4	LOCATION OR HEADING IN PROSPECTUS
	A. INFORMATION ABOUT THE TRANSACTION	
1.	Forepart of Registration Statement and Outside Front Cover Page of Prospectus............................	Outside Front Cover Page
2.	Inside Front and Outside Back Cover Pages of Prospectus..	Available Information; Table of Contents
3.	Risk Factors, Ratio of Earnings to Fixed Charges and Other Information..................................	Outside Front Cover Page; Summary; Investment Considerations
4.	Terms of the Transaction............................	Summary; The Merger; Certain Provisions of the Merger Agreement

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ITEM NO.	ITEM IN FORM S-4	LOCATION OR HEADING IN PROSPECTUS
5.	Pro Forma Financial Information......................	Summary; Unaudited Pro Forma Combined Financial Statements
6.	Material Contacts With the Company Being Acquired.....	Investment Considerations; The Merger
7.	Additional Information Required For Reoffering by Persons and Parties Deemed to be Underwriters.........	Not applicable
8.	Interests of Named Experts and Counsel................	Not applicable
9.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities........................	Not applicable
	B. INFORMATION ABOUT THE REGISTRANT	
10.	Information With Respect to S-3 Registrants...........	Incorporation of Certain Documents by Reference; The Companies
11.	Incorporation of Certain Information by Reference.....	Incorporation of Certain Documents by Reference
12.	Information With Respect to S-2 or S-3 Registrants....	Not applicable
13.	Incorporation of Certain Information by Reference.....	Not applicable
14.	Information With Respect to Registrants Other than S-3 or S-2 Registrants..............................	Not applicable
	C. INFORMATION ABOUT THE COMPANY BEING ACQUIRED	
15.	Information With Respect to S-3 Companies............	Incorporation of Certain Documents by Reference; The Companies
16.	Information With Respect to S-2 or S-3 Companies......	Not applicable
17.	Information With Respect to Companies Other than S-3 or S-2 Companies................................	Not applicable

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ITEM NO.	ITEM IN FORM S-4	LOCATION OR HEADING IN PROSPECTUS
<S>	<C>	<C>
	D. VOTING AND MANAGEMENT INFORMATION	
18.	Information if Proxies, Consents or Authorizations Are to be Solicited.....................................	Notice of Meetings; Outside Front Cover Page; Summary; The Meetings; The Merger; Certain Provisions of the Merger Agreement; Comparison of Stockholder Rights
19.	Information if Proxies, Consents or Authorizations Are Not to be Solicited or in an Exchange Offer...........	Not applicable

</TABLE>

NOBLE DRILLING CORPORATION

10370 RICHMOND AVENUE, SUITE 400
HOUSTON, TEXAS 77042

August , 1994

To Our Stockholders:

You are cordially invited to attend a Special Meeting of Stockholders of Noble Drilling Corporation ("Noble") at , , Houston, Texas, on , September , 1994, at 10:00 a.m., local time.

At the Special Meeting, stockholders will be asked to approve a merger proposal (the "Merger Proposal"). The Merger Proposal includes approval of a merger agreement pursuant to which Chiles Offshore Corporation ("Chiles") would merge into a newly formed, wholly owned subsidiary of Noble. The merger agreement provides that, upon consummation of the merger, each issued and outstanding share of common stock of Chiles would be converted into the right to receive 0.75 of a share of Noble common stock and each issued and outstanding share of $1.50 convertible preferred stock of Chiles would be converted into the right to receive one share of a new series of $1.50 convertible preferred stock of Noble. The new series of Noble preferred stock will have substantially the same rights, privileges, preferences and voting power as the Chiles preferred

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stock.

Noble does not currently have available enough authorized shares of common stock to permit it to consummate the merger. Thus, the merger cannot be consummated unless Noble's certificate of incorporation is amended to increase the authorized shares of Noble common stock. At the Special Meeting, stockholders will also be asked to approve a proposal to amend Noble's certificate of incorporation to increase the number of authorized shares of Noble common stock from 75,000,000 to 200,000,000. The Merger Proposal and the proposed charter amendment are described more fully in the accompanying Joint Proxy Statement/Prospectus.

YOUR BOARD OF DIRECTORS BELIEVES THAT THE MERGER PROPOSAL AND THE PROPOSED CHARTER AMENDMENT, WHICH WERE APPROVED UNANIMOUSLY BY THE BOARD, ARE IN THE BEST INTERESTS OF THE STOCKHOLDERS OF NOBLE AND RECOMMENDS THAT YOU VOTE FOR THE MERGER PROPOSAL AND CHARTER AMENDMENT. In addition, the Board of Directors has received the opinion of Simmons & Company International, financial advisor to Noble, that the consideration to be paid by Noble in the merger is fair from a financial point of view to the holders of Noble common stock and $2.25 convertible exchangeable preferred stock. A copy of the opinion is included in the Joint Proxy Statement/Prospectus as Appendix II thereto. Approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Noble common stock present and entitled to vote thereon at the Special Meeting. Approval of the Merger Proposal will constitute approval of the merger agreement and the issuance of shares of Noble common stock and the new series of Noble preferred stock pursuant to the merger. Approval of the proposed charter amendment requires the affirmative vote of the holders of a majority of the shares of Noble common stock outstanding and entitled to vote at the meeting.

At the Special Meeting, stockholders will also be asked to approve a proposal to amend the Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan to increase from 1,900,000 to 5,200,000 the number of shares of Noble common stock available for issuance thereunder and to make certain amendments to conform with recent changes in federal tax laws. Approval of the proposed stock option plan amendments requires the affirmative vote of the holders of a majority of the outstanding shares of Noble common stock present and entitled to vote thereon at the meeting.

You are urged to read carefully the Joint Proxy Statement/Prospectus and the Appendices thereto in their entirety for a complete description of the Merger Proposal and the proposed charter and stock option plan amendments. Whether or not you plan to be at the Special Meeting, please be sure to sign, date and return the enclosed proxy or voting instruction card in the enclosed envelope as promptly as possible so that your shares may be represented at the Special Meeting and voted in accordance with your wishes. Your vote is important regardless of the number of shares you own.

Sincerely,

JAMES C. DAY
Chairman, President and Chief
Executive Officer

CHILES OFFSHORE CORPORATION
1400 BROADFIELD BLVD.
SUITE 400
HOUSTON, TEXAS 77084-5133

August , 1994

Dear Chiles Stockholder:

You are cordially invited to attend a Special Meeting of Stockholders to be held at 10:00 a.m., local time, on September , 1994, at , Houston, Texas.

At the Special Meeting, you will be asked to consider and vote upon a proposal to authorize, approve and adopt an Agreement and Plan of Merger (the "Merger Agreement") providing for the merger (the "Merger") of Chiles Offshore Corporation ("Chiles") with and into a wholly owned subsidiary of Noble Drilling Corporation ("Noble"). Under the terms of the Merger Agreement, (i) each outstanding share of Chiles common stock, $.01 par value per share ("Chiles Common Stock"), will be converted into the right to receive 0.75 of a share of

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Noble common stock, $.10 par value per share, and (ii) each outstanding share of Chiles $1.50 Convertible Preferred Stock, $1.00 par value per share ("Chiles Preferred Stock"), will be converted into the right to receive one share of $1.50 Convertible Preferred Stock, $1.00 par value per share, of Noble having substantially the same rights, privileges, preferences and voting power as the Chiles Preferred Stock.

The Board of Directors of Chiles has retained the investment banking firm of Salomon Brothers Inc to advise it with respect to the fairness of the consideration to be received by the stockholders of Chiles in the Merger. Salomon Brothers Inc has advised the Board that, in its opinion, the consideration to be received by the Chiles common and preferred stockholders pursuant to the Merger Agreement is fair to such holders from a financial point of view. A copy of the opinion of Salomon Brothers Inc is included in the enclosed Joint Proxy Statement/Prospectus as Appendix III thereto.

THE BOARD OF DIRECTORS OF CHILES BELIEVES THAT THE MERGER IS FAIR TO AND IN THE BEST INTERESTS OF CHILES AND ITS STOCKHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT THE HOLDERS OF CHILES COMMON STOCK VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT.

A description of the basic terms and conditions of the Merger and financial and other information concerning the business of Noble are included in the enclosed Joint Proxy Statement/Prospectus. Please review the Joint Proxy Statement/Prospectus carefully.

Your vote is important. The affirmative vote of the holders of a majority of the outstanding shares of Chiles Common Stock is required to approve the Merger, so failure to vote will have the same effect as a vote against the Merger. Accordingly, we urge you to complete, sign and date the enclosed proxy card and return it promptly in the enclosed return envelope, whether or not you plan to attend the meeting. If you do attend the meeting, you may withdraw your proxy and vote in person if you wish to do so.

Sincerely,

C. RAY BEARDEN
President

[NOBLE LOGO]

NOBLE DRILLING CORPORATION
10370 RICHMOND AVENUE, SUITE 400
HOUSTON, TEXAS 77042

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON SEPTEMBER , 1994

To the Stockholders of
Noble Drilling Corporation:

A special meeting of stockholders of Noble Drilling Corporation, a Delaware corporation ("Noble"), will be held on , September , 1994, at 10:00 a.m., local time, at , , Houston, Texas, for the following purposes:

1. To consider and vote upon, as a single proposal, (a) the approval of the Agreement and Plan of Merger (the "Merger Agreement") attached as Appendix I to the accompanying Joint Proxy Statement/Prospectus, pursuant to which, among other things, (i) Chiles Offshore Corporation ("Chiles") would merge with and into a newly formed, wholly owned subsidiary of Noble (the "Merger") and (ii) each issued and outstanding share of Common Stock of Chiles would be converted in the Merger into the right to receive 0.75 of a share of Common Stock of Noble and each issued and outstanding share of $1.50 Convertible Preferred Stock of Chiles would be converted in the Merger into the right to receive one share of a new series of $1.50 Convertible Preferred Stock of Noble, subject to and in accordance with the terms and conditions of the Merger Agreement, and (b) the approval of the issuance of shares of Common Stock of Noble and the new series of $1.50 Convertible Preferred Stock of Noble pursuant to the Merger Agreement;

2. To consider and vote upon a proposal to amend Noble's Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock of Noble from 75,000,000 to 200,000,000;

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3. To consider and vote upon a proposal to amend the Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan to (a) increase from 1,900,000 to 5,200,000 the aggregate number of shares of Common Stock of Noble available for issuance thereunder, (b) limit to 1,500,000 the total number of shares of Common Stock of Noble that may be made subject to grants of options or stock appreciation rights or awards of restricted stock under the Plan to any one person during any five-year period, and (c) provide for administration of the Plan by directors who are "outside" directors within the meaning of federal tax laws; and

4. To transact such other business as may properly come before the meeting or any adjournment thereof.

Regardless of whether the stockholders of Noble approve the Merger, the Merger cannot be consummated unless the stockholders also adopt the proposal to amend Noble's Restated Certificate of Incorporation.

The Board of Directors has fixed the close of business on , 1994 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting or any adjournment thereof. Only holders of record of shares of Common Stock of Noble at the close of business on the record date are entitled to notice of and to vote at the meeting. A complete list of such stockholders will be available for examination at the offices of Noble in Houston, Texas during normal business hours by any Noble stockholder, for any purpose germane to the special meeting, for a period of 10 days prior to the meeting. Stockholders of Noble are not entitled to any appraisal or dissenter's rights under the Delaware General Corporation Law in respect of the Merger.

STOCKHOLDERS ARE URGED, WHETHER OR NOT THEY PLAN TO ATTEND THE MEETING, TO SIGN, DATE AND MAIL THE ENCLOSED PROXY OR VOTING INSTRUCTION CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED. If a stockholder who has returned a proxy attends the meeting in person, such stockholder may revoke the proxy and vote in person on all matters submitted at the meeting.

By Order of the Board of Directors

JULIE J. ROBERTSON
Secretary

Houston, Texas
August , 1994

CHILES OFFSHORE CORPORATION
1400 BROADFIELD BLVD.
SUITE 400
HOUSTON, TEXAS 77084-5133

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of
Chiles Offshore Corporation:

Notice is hereby given that a special meeting of the stockholders of Chiles Offshore Corporation (the "Special Meeting") will be held at , Houston, Texas, at 10:00 a.m., local time, on September , 1994, for the following purposes:

1. To consider and vote upon a proposal to authorize, approve and adopt an Agreement and Plan of Merger, dated as of June 13, 1994 (the "Merger Agreement"), relating to the merger of Chiles Offshore Corporation ("Chiles") with and into a wholly owned subsidiary of Noble Drilling Corporation ("Noble") pursuant to which (i) each outstanding share of Chiles common stock, $.01 par value per share ("Chiles Common Stock"), will be converted into the right to receive 0.75 of a share of Noble common stock, $.10 par value per share, and (ii) each outstanding share of $1.50 Convertible Preferred Stock, $1.00 par value per share, of Chiles will be converted into the right to receive one share of a new series of $1.50 Convertible Preferred Stock, $1.00 par value per share, of Noble having substantially the same rights, privileges, preferences and voting power as the Chiles $1.50 Convertible Preferred Stock, all as more fully set forth in the accompanying Joint Proxy Statement/Prospectus and in the Merger Agreement, a copy of which is included as Appendix I thereto; and

2. To transact such other business as may properly come before the

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Special Meeting.

Only holders of record of Chiles Common Stock at the close of business on , 1994 are entitled to notice of and to vote at the Special Meeting. A complete list of such stockholders will be available for examination at the offices of Chiles in Houston, Texas during normal business hours by any Chiles stockholder for any purpose germane to the Special Meeting for a period of 10 days prior to the meeting. Stockholders of Chiles are not entitled to any appraisal or dissenter's rights under the Delaware General Corporation Law in respect of the proposed merger.

Your vote is important. The affirmative vote of the holders of a majority of the outstanding shares of Chiles Common Stock is required for approval of the Merger Agreement. Even if you plan to attend the meeting in person, we request that you sign and return the enclosed proxy card and thus ensure that your shares will be represented at the meeting if you are unable to attend. If you do attend the meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By order of the Board of Directors,

ROBERT F. FULTON
Secretary

Houston, Texas
August , 1994

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, JULY 8, 1994

NOBLE DRILLING CORPORATION

CHILES OFFSHORE CORPORATION

JOINT PROXY STATEMENT/PROSPECTUS

This Joint Proxy Statement/Prospectus relates to the proposed merger (the "Merger") of Chiles Offshore Corporation ("Chiles"), a Delaware corporation, with and into Noble Offshore Corporation ("Noble Sub"), a Delaware corporation and a wholly owned subsidiary of Noble Drilling Corporation ("Noble"), a Delaware corporation, pursuant to an Agreement and Plan of Merger among Noble, Noble Sub and Chiles dated June 13, 1994 (the "Merger Agreement"). As a result of the Merger, (i) the separate corporate existence of Chiles will cease and all of the properties, rights, privileges, powers and franchises of Chiles will vest in Noble Sub, which will be the surviving corporation in the Merger, and all of the debts, liabilities and duties of Chiles will attach to Noble Sub, (ii) each share of Common Stock of Chiles, par value $.01 per share ("Chiles Common Stock"), outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 0.75 of a share of Common Stock of Noble, par value $.10 per share ("Noble Common Stock"), and (iii) each share of $1.50 Convertible Preferred Stock of Chiles, par value $1.00 per share ("Chiles Preferred Stock"), outstanding immediately prior to the effective time of the Merger will be converted into the right to receive one share of a new series of $1.50 Convertible Preferred Stock of Noble, par value $1.00 per share ("$1.50 Noble Preferred Stock"), having substantially the same rights, privileges, preferences and voting power as the Chiles Preferred Stock.

This Joint Proxy Statement/Prospectus is being furnished to holders of Noble Common Stock and holders of Chiles Common Stock in connection with the

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solicitation of proxies by the respective Boards of Directors of Noble and Chiles for use at the special meetings of the stockholders of each company to be held on September , 1994. This Joint Proxy Statement/Prospectus and the accompanying forms of proxy are first being mailed to stockholders of Noble and Chiles on or about August , 1994.

At the Noble special meeting, holders of Noble Common Stock will be asked to vote on (i) a proposal to approve the Merger Agreement and the issuance of shares of Noble Common Stock and $1.50 Noble Preferred Stock pursuant thereto (the "Merger Proposal"), (ii) a proposal to amend the Restated Certificate of Incorporation of Noble to increase the number of authorized shares of Noble Common Stock from 75,000,000 to 200,000,000 (the "Noble Charter Amendment") and (iii) a proposal to amend the Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan to (A) increase from 1,900,000 to 5,200,000 the aggregate number of shares of Noble Common Stock available for issuance thereunder, (B) limit to 1,500,000 the total number of shares of Common Stock of Noble that may be made subject to grants of options or stock appreciation rights or awards of restricted stock under the Plan to any one person during any five-year period, and (C) provide for administration of the Plan by directors who are "outside" directors within the meaning of federal tax laws (the "Noble Plan Amendment"). At the Chiles special meeting, the holders of Chiles Common Stock will be asked to authorize, approve and adopt the Merger Agreement.

This Joint Proxy Statement/Prospectus also constitutes a prospectus of Noble with respect to (i) up to 28,844,280 shares of Noble Common Stock to be issued pursuant to the Merger in exchange for Chiles Common Stock, (ii) up to 4,025,000 shares of $1.50 Noble Preferred Stock to be issued pursuant to the Merger in exchange for Chiles Preferred Stock and an indeterminable number of shares of Noble Common Stock issuable from time to time upon the conversion of such $1.50 Noble Preferred Stock and (iii) up to 480,000 shares of Noble Common Stock to be issued pursuant to the Merger Agreement in exchange for and upon the cancellation of options to purchase Chiles Common Stock ("Chiles Options"), in the event that each holder of Chiles Options approves such cancellation and exchange. It is a condition to consummation of the Merger that the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued pursuant to the Merger be approved for listing in the NASDAQ National Market System.

On August , 1994, the last reported sale prices of Noble Common Stock and Chiles Common Stock, as reported in the NASDAQ National Market System and on the American Stock Exchange, respectively, were $ and $ per share, respectively. Based on such prices, the consideration to be received by holders of Chiles Common Stock pursuant to the Merger would be $ per share of Chiles Common Stock.

FOR A DISCUSSION OF CERTAIN CONSIDERATIONS REGARDING THE BUSINESS AND OPERATIONS OF NOBLE AND CHILES THAT SHOULD BE EVALUATED BEFORE VOTING ON THE PROPOSALS HEREIN AT THE NOBLE SPECIAL MEETING OR THE CHILES SPECIAL MEETING, SEE "INVESTMENT CONSIDERATIONS."

THE SECURITIES TO WHICH THIS JOINT PROXY STATEMENT/PROSPECTUS RELATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Joint Proxy Statement/Prospectus is August , 1994.

NO PERSONS HAVE BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS IN CONNECTION WITH THE SOLICITATION OF PROXIES OR THE OFFERING OF SECURITIES MADE HEREBY AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY NOBLE OR CHILES. THIS JOINT PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, ANY SECURITIES, OR THE SOLICITATION OF A PROXY, IN ANY JURISDICTION IN WHICH, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION OF AN OFFER OR PROXY SOLICITATION. NEITHER THE DELIVERY OF THIS JOINT PROXY STATEMENT/PROSPECTUS NOR ANY DISTRIBUTION OF THE SECURITIES OFFERED HEREBY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF NOBLE OR CHILES SINCE THE DATE HEREOF OR THAT THE INFORMATION SET FORTH OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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AVAILABLE INFORMATION

Noble and Chiles are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports and other information may be inspected and copied or obtained by mail upon the payment of the Commission's prescribed rates at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549, and at the following Regional Offices of the Commission: Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and Seven World Trade Center, New York, New York 10048. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, reports, proxy statements and other information filed by Noble can be inspected at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, Washington, D.C. 20006, and reports, proxy statements and other information filed by Chiles can be inspected at the offices of the American Stock Exchange, 86 Trinity Place, New York, New York 10006-1881.

Noble has filed with the Commission a registration statement on Form S-4 (together with all amendments, supplements and exhibits thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued pursuant to the Merger Agreement, as well as the Noble Common Stock subject to issuance upon conversion of the $1.50 Noble Preferred Stock. Except as provided in the Merger Agreement, the information contained herein with respect to Noble and its subsidiaries, including Noble Sub, has been provided by Noble and the information with respect to Chiles and its subsidiaries has been provided by Chiles. This Joint Proxy Statement/Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. The Registration Statement and any amendments thereto, including exhibits filed as a part thereof, are available for inspection and copying as set forth above. Statements contained in this Joint Proxy Statement/Prospectus or in any document incorporated in this Joint Proxy Statement/Prospectus by reference as to the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, each such statement being qualified in all respects by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have been filed with the Commission pursuant to the Exchange Act, are incorporated herein by reference:

1. Noble's Annual Report on Form 10-K for its fiscal year ended December 31, 1993, as amended by Amendment No. 1 to such Annual Report on Form 10-K/A dated June 28, 1994.

2. Noble's Quarterly Report on Form 10-Q for the period ended March 31, 1994.

3. Noble's Current Report on Form 8-K dated April 22, 1994, as amended by Amendment No. 1 to such Current Report on Form 8-K/A dated June 30, 1994.

4. Noble's Current Report on Form 8-K dated June 13, 1994.

5. The description of the Noble Common Stock contained in the Registration Statement on Form 10 of Noble heretofore filed with the Commission, including any amendments or reports filed for the purpose of updating such description.

6. Chiles' Annual Report on Form 10-K for its fiscal year ended December 31, 1993.

7. Chiles' Quarterly Report on Form 10-Q for the period ended March 31, 1994.

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8. Chiles' Current Report on Form 8-K dated June 13, 1994.

All documents and reports filed by Noble or Chiles pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Joint Proxy Statement/Prospectus and prior to the date of the special meetings of the stockholders of each company shall be deemed to be incorporated by reference herein and to be a part hereof from the respective dates of filing of such documents or reports. All information appearing in this Joint Proxy Statement/Prospectus or in any document incorporated herein by reference is not necessarily complete and is qualified in its entirety by the information and financial statements (including notes thereto) appearing in the documents incorporated herein by reference and should be read together with such information and documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Joint Proxy Statement/Prospectus to the extent that a statement contained herein (or in any subsequently filed document which also is or is deemed to be incorporated by reference herein) modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Joint Proxy Statement/Prospectus except as so modified or superseded.

THIS JOINT PROXY STATEMENT/PROSPECTUS INCORPORATES CERTAIN DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. NOBLE AND CHILES EACH UNDERTAKE TO PROVIDE COPIES OF SUCH DOCUMENTS (OTHER THAN EXHIBITS TO SUCH DOCUMENTS UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE), WITHOUT CHARGE, TO ANY PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM THIS JOINT PROXY STATEMENT/PROSPECTUS IS DELIVERED UPON WRITTEN OR ORAL REQUEST TO, IN THE CASE OF DOCUMENTS RELATING TO NOBLE, JULIE J. ROBERTSON, CORPORATE SECRETARY, NOBLE DRILLING CORPORATION, 10370 RICHMOND AVENUE, SUITE 400, HOUSTON, TEXAS 77042 (TELEPHONE NUMBER 713/974-3131), AND IN THE CASE OF DOCUMENTS RELATING TO CHILES, ROBERT F. FULTON, CORPORATE SECRETARY, CHILES OFFSHORE CORPORATION, 1400 BROADFIELD BOULEVARD, SUITE 400, HOUSTON, TEXAS 77084-5133 (TELEPHONE NUMBER 713/647-0100). IN ORDER TO ENSURE TIMELY DELIVERY OF THESE DOCUMENTS PRIOR TO THE SPECIAL MEETINGS OF STOCKHOLDERS, ANY REQUEST SHOULD BE MADE BY SEPTEMBER , 1994.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

<S>	PAGE <C>
SUMMARY	1
The Companies	1
The Meetings	1
The Merger and the Merger Agreement	2
Investment Considerations	7
Noble Charter Amendment	7
Noble Plan Amendment	8
Summary Historical Financial Data	9
Summary Pro Forma Combined Financial Data	11
Comparative Per Share Data	12
THE COMPANIES	13
Noble Drilling Corporation	13
Chiles Offshore Corporation	14
THE MEETINGS	14
Matters to be Considered at the Meetings	14
Recommendations of the Boards of Directors	14
Voting at Meetings; Record Dates	14
Security Ownership of Management and Certain Other Persons	15
Proxies	16
Solicitation of Proxies	17
THE MERGER	17
Effects of the Merger	17
Background of the Merger	18
Reasons for the Merger	21
Opinions of Financial Advisors	22
Certain Federal Income Tax Consequences	30
Anticipated Accounting Treatment	32
Regulatory Approvals	32
Limitations on Resales; Registration Rights	32

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Listing in NASDAQ National Market System	33
No Appraisal Rights	34
Interests of Certain Persons in the Merger	34
CERTAIN PROVISIONS OF THE MERGER AGREEMENT	35
General	35
Effective Time of the Merger; Closing	35
Conversion of Shares; Procedure for Exchange of Certificates; Fractional Shares	35
Representations and Warranties	37
Conduct of Business Prior to Effective Time	37
Solicitation of Third Party Offers	37
Chiles Options	38
NASDAQ National Market System Listing	39
Indemnification	39
Chiles Employee Benefits	39
Registration Rights Agreement	39
Certain Conditions to Consummation of the Merger	39
Termination	40

</TABLE>

<TABLE>
<CAPTION>

<S>	PAGE <C>
INVESTMENT CONSIDERATIONS	41
Intense Competition; Industry Conditions	41
Losses from Operations	41
Substantial International Operations	42
Concentration of Operations in Certain Markets	42
Absence of Dividends on Noble Common Stock	42
Restrictions on Foreign Ownership	42
Operational Risks and Insurance	42
Governmental Regulation and Environmental Matters	43
Limitation on Use of Net Operating Loss Carryforwards	43
PROPOSAL TO ADOPT NOBLE CHARTER AMENDMENT	44
Background and Reasons	44
Proposed Noble Charter Amendment	44
Recommendation and Required Affirmative Vote	45
PROPOSAL TO APPROVE NOBLE PLAN AMENDMENT	45
General	45
Reasons and Principal Effects of the Proposal	45
Description of Plan as Currently in Effect	46
United States Federal Income Tax Consequences	47
Recommendation and Required Affirmative Vote	49
UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS	50
DESCRIPTION OF NOBLE CAPITAL STOCK	57
Noble Common Stock	57
$2.25 Noble Preferred Stock	57
$1.50 Noble Preferred Stock	59
Federal Income Tax Considerations Regarding $1.50 Noble Preferred Stock	66
Restrictions on Dividends	69
Foreign Ownership	70
Certain Corporate Governance Provisions	71
COMPARISON OF STOCKHOLDER RIGHTS	73
General	73
Authorized Capital	73
Removal of Directors	74
Power of Stockholders to Call Special Meeting	74
Classified Board and Fair Price Provision	74
MANAGEMENT AND OTHER INFORMATION	74
LEGAL MATTERS	75
EXPERTS	75
STOCKHOLDER PROPOSALS	75
APPENDIX I -- Agreement and Plan of Merger dated June 13, 1994	
APPENDIX II -- Opinion of Simmons & Company International	
APPENDIX III -- Opinion of Salomon Brothers Inc.	

</TABLE>

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SUMMARY

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus. Reference is made to, and this summary is qualified in its entirety by, the more detailed information contained in or incorporated by reference in this Joint Proxy Statement/Prospectus and the Appendices hereto. Stockholders are urged to carefully read this Joint Proxy Statement/Prospectus and the Appendices hereto in their entirety. As used in this Joint Proxy Statement/Prospectus, unless otherwise required by the context, the term "Noble" means Noble Drilling Corporation and its consolidated subsidiaries and the term "Chiles" means Chiles Offshore Corporation and its consolidated subsidiaries.

THE COMPANIES

Noble and Noble Sub. Noble is a leading provider of contract drilling services for the oil and gas industry worldwide. Noble Sub is a wholly owned subsidiary of Noble recently incorporated in Delaware for the sole purpose of effecting the Merger pursuant to the Merger Agreement. The principal executive offices of Noble are located at 10370 Richmond Avenue, Suite 400, Houston, Texas 77042, and Noble's telephone number at such offices is (713) 974-3131.

Chiles. Chiles is engaged in providing offshore oil and gas drilling services on a contract basis in the Gulf of Mexico and West Africa. The principal executive offices of Chiles are located at 1400 Broadfield Boulevard, Suite 400, Houston, Texas 77084-5133, and Chiles' telephone number at such offices is (713) 647-0100.

For additional information concerning Noble and Chiles, see "The Companies."

THE MEETINGS

DATE, TIME AND PLACE

Noble. The Special Meeting of Stockholders of Noble (the "Noble Special Meeting") will be held on , September , 1994, at , Houston, Texas, commencing at 10:00 a.m., local time.

Chiles. The Special Meeting of Stockholders of Chiles (the "Chiles Special Meeting") will be held on , September , 1994, at , Houston, Texas, commencing at 10:00 a.m., local time.

PURPOSES OF THE MEETINGS

Noble. The purpose of the Noble Special Meeting is to consider and vote upon (i) the Merger Proposal, which includes the approval of the Merger Agreement and the approval of the issuance of shares of Noble Common Stock and $1.50 Noble Preferred Stock pursuant to the Merger Agreement, (ii) a proposal to adopt the Noble Charter Amendment, (iii) a proposal to approve the Noble Plan Amendment and (iv) such other matters as may properly be brought before the Noble Special Meeting.

Chiles. The purpose of the Chiles Special Meeting is to consider and vote upon (i) a proposal to authorize, approve and adopt the Merger Agreement and (ii) such other matters as may properly be brought before the Chiles Special Meeting.

RECORD DATES; SHARES ENTITLED TO VOTE

Noble. Only holders of record of shares of Noble Common Stock at the close of business on , 1994 are entitled to notice of and to vote at the Noble Special Meeting. On such date, there were 48,524,467 shares of Noble Common Stock outstanding, each of which will be entitled to one vote on each matter to be acted upon at the Noble Special Meeting.

Chiles. Only holders of record of shares of Chiles Common Stock at the close of business on , 1994 are entitled to notice of and to vote at the Chiles Special Meeting. On such date, there were 38,131,780 shares of Chiles Common Stock outstanding, each of which will be entitled to one vote on each matter to be acted upon at the Chiles Special Meeting.

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QUORUM; VOTE REQUIRED

Noble. The presence, in person or by proxy, at the Noble Special Meeting of the holders of a majority of the shares of Noble Common Stock outstanding and entitled to vote at the Noble Special Meeting is necessary to constitute a quorum at the meeting. The affirmative vote of the holders of a majority of the outstanding shares of Noble Common Stock present and entitled to vote thereon at the Noble Special Meeting is required to approve the Merger Proposal and the Noble Plan Amendment. Adoption of the Noble Charter Amendment requires the affirmative vote of the holders of a majority of the shares of Noble Common Stock outstanding and entitled to vote at the meeting.

The respective obligations of Noble and Chiles to consummate the Merger are subject to, among other conditions, the approval by the stockholders of Noble of both the Merger Proposal and the Noble Charter Amendment. Thus, if the Noble Charter Amendment is not adopted by the requisite vote of stockholders of Noble, then the Merger cannot be consummated, notwithstanding that the Merger Proposal may have been approved by the stockholders of Noble. The Noble Charter Amendment will be effected if it is adopted by the stockholders of Noble irrespective of whether such stockholders approve the Merger Proposal. Approval by the stockholders of Noble of the Noble Plan Amendment is not a condition to consummation of the Merger.

Chiles. The presence, in person or by proxy, at the Chiles Special Meeting of the holders of a majority of the shares of Chiles Common Stock outstanding and entitled to vote at the Chiles Special Meeting is necessary to constitute a quorum at the meeting. The affirmative vote of the holders of a majority of the shares of Chiles Common Stock outstanding and entitled to vote at the meeting is required to authorize, approve and adopt the Merger Agreement.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN OTHER PERSONS

Noble. As of the record date for the Noble Special Meeting, the directors and executive officers of Noble and their affiliates (excluding shares owned by The Samuel Roberts Noble Foundation, Inc. (the "Foundation")) owned beneficially approximately 1.5 percent of the outstanding shares of Noble Common Stock. Each of the directors and executive officers has advised Noble that he intends to vote or direct the vote of all shares of Noble Common Stock of which he has beneficial ownership in favor of the approval and adoption of the Merger Proposal, the Noble Charter Amendment and the Noble Plan Amendment. The Foundation held, as of the record date, 5,459,537 shares of Noble Common Stock (approximately 11.3 percent of the outstanding shares of Noble Common Stock). Two directors of Noble serve on the nine-member board of trustees of the Foundation. The voting of the shares held by the Foundation requires a majority vote of its trustees at a meeting at which a quorum of trustees is present. Accordingly, neither of the two directors of Noble, individually, nor both of them acting together, represents sufficient voting power on the Foundation's board of trustees to determine voting decisions with respect to shares held by the Foundation.

Chiles. As of the record date for the Chiles Special Meeting, the directors, executive officers and two principal stockholders of Chiles, P.A.J.W. Corporation ("P.A.J.W.") and OMI Investments, Inc. ("OMI"), held an aggregate of 14,916,342 shares of Chiles Common Stock (approximately 39.1 percent of the outstanding shares of Chiles Common Stock). Such persons are not obligated to vote their shares in favor of approval and adoption of the Merger Agreement, but each of them or their representatives has advised Chiles that they presently intend to vote their shares in favor of approval and adoption of the Merger Agreement.

For additional information concerning the special meetings, see "The Meetings."

THE MERGER AND THE MERGER AGREEMENT

EFFECTS OF THE MERGER

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger Chiles will merge with and into Noble Sub, with Noble Sub being the surviving corporation, and all of the assets of Chiles will vest in Noble Sub and all of the liabilities and obligations of Chiles will attach to Noble Sub. By virtue of the Merger, each share of Chiles Common Stock outstanding immediately prior to the effective time

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of the Merger will be converted into the right to receive 0.75 of a share of Noble Common Stock and each share of Chiles Preferred Stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive one share of $1.50 Noble Preferred Stock. Based on the capitalization of Noble and Chiles as of the record date for the special meetings, and assuming the cancellation of the Chiles Options in exchange for 480,000 shares of Noble Common Stock, pursuant to the Merger Agreement (i) approximately 29,078,835 shares of Noble Common Stock will be issued, which represents approximately 37.5 percent of the number of shares of Noble Common Stock that would be outstanding immediately after the Merger, and (ii) 4,025,000 shares of $1.50 Noble Preferred Stock will be issued. See "The Merger -- Effects of the Merger."

EFFECTIVE TIME OF THE MERGER

It is anticipated that the Merger will become effective (the "Effective Time") as promptly as practicable after the requisite stockholder approvals have been obtained and all other conditions to the Merger have been satisfied or waived. See "Certain Provisions of the Merger Agreement -- Effective Time of the Merger; Closing."

PROCEDURE FOR EXCHANGE OF CERTIFICATES

As soon as practicable after the Effective Time, each holder of a certificate that prior thereto represented shares of Chiles Common Stock or Chiles Preferred Stock will be entitled, upon surrender of such certificate to Noble's transfer agent, Liberty Bank and Trust of Oklahoma City, N.A., to receive in exchange therefor, as applicable, (i) a certificate(s) representing the number of whole shares of Noble Common Stock into which such shares of Chiles Common Stock were converted pursuant to the Merger or (ii) a certificate(s) representing the number of shares of $1.50 Noble Preferred Stock into which such shares of Chiles Preferred Stock were converted pursuant to the Merger, in each case, in such denominations and registered in such names as the holder may request. CHILES STOCKHOLDERS SHOULD NOT SEND IN ANY STOCK CERTIFICATES AT THIS TIME. Following the Effective Time, Noble's transfer agent will mail to each former holder of Chiles Common Stock or Chiles Preferred Stock a letter describing how certificates representing Chiles Common Stock or Chiles Preferred Stock should be presented for exchange.

No fractional shares of Noble Common Stock will be issued in the Merger; instead, cash will be paid in lieu thereof based on the market price of a share of Noble Common Stock as of a specified date prior to the Effective Time. See "Certain Provisions of the Merger Agreement -- Conversion of Shares; Procedure for Exchange of Certificates; Fractional Shares."

RECOMMENDATIONS OF THE BOARDS OF DIRECTORS

THE BOARDS OF DIRECTORS OF NOBLE AND CHILES BELIEVE THAT THE MERGER IS FAIR TO AND IN THE BEST INTERESTS OF THEIR RESPECTIVE STOCKHOLDERS, AND EACH BOARD HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE RELATED TRANSACTIONS. THE BOARD OF DIRECTORS OF NOBLE UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF NOBLE APPROVE AND ADOPT THE MERGER PROPOSAL, THE NOBLE CHARTER AMENDMENT AND THE NOBLE PLAN AMENDMENT. THE BOARD OF DIRECTORS OF CHILES UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF CHILES APPROVE AND ADOPT THE MERGER AGREEMENT. See "The Meetings -- Recommendations of the Boards of Directors," and "The Merger -- Background of the Merger" and "-- Reasons for the Merger."

In considering the recommendation of the Board of Directors of Chiles in favor of the Merger, stockholders of Chiles should be aware that certain executive officers and directors of Chiles have direct or indirect interests in recommending the Merger Agreement, apart from their interests as stockholders of Chiles. See "The Merger -- Interests of Certain Persons in the Merger."

OPINIONS OF FINANCIAL ADVISORS

Simmons & Company International ("Simmons") has delivered its written opinion dated June 13, 1994 to the Board of Directors of Noble that, as of the date of such opinion, the consideration to be paid by Noble

in the Merger was fair from a financial point of view to the holders of Noble

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Common Stock and Noble $2.25 convertible exchangeable preferred stock.

Salomon Brothers Inc ("Salomon") has delivered its written opinion dated June 13, 1994 to the Board of Directors of Chiles that, as of the date of such opinion, the consideration to be received by the holders of Chiles Common Stock and Chiles Preferred Stock in the Merger was fair from a financial point of view to such stockholders.

For information regarding the opinions of Simmons and Salomon, including the assumptions made, matters considered and limits of such opinions, see "The Merger -- Opinions of Financial Advisors." Stockholders are urged to read in their entirety the opinions of Simmons and Salomon, attached as Appendices II and III, respectively, to this Joint Proxy Statement/Prospectus.

CERTAIN CONDITIONS TO THE CONSUMMATION OF THE MERGER

The respective obligations of Noble and Chiles to consummate the Merger are subject to the satisfaction of certain conditions, including the following: (i) approval of the Merger Proposal and adoption of the Noble Charter Amendment by the stockholders of Noble, and approval and adoption of the Merger Agreement by the stockholders of Chiles; (ii) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"); (iii) the absence of any order restraining or preventing consummation of the Merger; (iv) all material required consents to consummation of the Merger having been obtained; (v) the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued in connection with the Merger having been approved for listing in the NASDAQ National Market System; (vi) Noble and Chiles having been advised in writing by Arthur Andersen & Co. that the Merger should qualify for treatment as a "pooling of interests" for accounting purposes; and (vii) the fairness opinion of such party's financial advisor having not been withdrawn.

Noble and Chiles anticipate that substantially all of the above conditions (other than obtaining the required approvals of the stockholders of Noble and Chiles) will be satisfied prior to the Noble Special Meeting and the Chiles Special Meeting. Either Noble or Chiles may extend the time for performance of any of the obligations of the other party or may waive compliance with those obligations at their discretion. See "Certain Provisions of the Merger Agreement - -- Certain Conditions to Consummation of the Merger."

GOVERNMENTAL APPROVALS

On July   , 1994, Noble and Chiles each filed a notification and report under the HSR Act with the Federal Trade Commission and the Antitrust Division of the Department of Justice. Expiration or early termination of the applicable waiting period under the HSR Act is a condition to the obligation of Noble and Chiles to consummate the Merger. See "The Merger -- Regulatory Approvals." Neither Noble nor Chiles is aware of any other governmental or regulatory approval required for consummation of the Merger, other than compliance with applicable securities laws.

NO SOLICITATION

The Merger Agreement provides that Chiles will not, directly or indirectly, solicit or knowingly encourage the initiation of any inquiries or proposals regarding (i) any merger, tender offer, sale of shares of capital stock or similar business combination transaction involving Chiles that would have the effect of causing the holders of Chiles Common Stock immediately prior to the effectiveness of such proposed transaction to own in the aggregate less than 50 percent of the shares of the surviving or resulting entity entitled to vote generally for the election of directors of the surviving or resulting entity, or (ii) any sale of all or substantially all the assets of Chiles (collectively, a "Chiles Acquisition Transaction"). Notwithstanding the foregoing, nothing in the Merger Agreement prevents the members of the Board of Directors of Chiles, in the exercise of their fiduciary duties and after consulting with independent counsel, from considering, negotiating and approving an unsolicited bona fide proposal that the Board determines in good faith, after consultation with its financial advisors, may result in a transaction more favorable to the stockholders of Chiles than the Merger. Further, the Board of Directors of Chiles may elect not to convene the Chiles Special Meeting if it has received an

acquisition proposal it deems more favorable to the stockholders of Chiles. See

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"Certain Provisions of the Merger Agreement -- Solicitation of Third Party Offers."

TERMINATION OF THE MERGER AGREEMENT

By Either Party. The Merger Agreement may be terminated prior to the Effective Time (i) by mutual consent of Noble and Chiles, or (ii) by either party if (A) the Merger has not been consummated on or before January 31, 1995, (B) any court or governmental entity shall have prohibited consummation of the Merger Agreement or the transactions contemplated in connection therewith or (C) the required approvals of the stockholders of Noble or Chiles are not received at the applicable stockholders' meeting.

By Noble. Noble may terminate the Merger Agreement if (i) the fairness opinion of Simmons is withdrawn, (ii) since the date of the Merger Agreement there has been a material adverse change in the results of operations, financial condition or business of Chiles, (iii) there has been a material breach of any representation, warranty or covenant set forth in the Merger Agreement by Chiles and such breach has not been cured within five business days following receipt by Chiles of notice thereof or (iv) the Board of Directors of Chiles exercises its right not to convene the Chiles Special Meeting on the grounds that the Chiles Board has determined that another proposal for the acquisition of Chiles is more favorable to the stockholders of Chiles than the Merger.

By Chiles. Chiles may terminate the Merger Agreement if (i) the fairness opinion of Salomon is withdrawn, (ii) since the date of the Merger Agreement there has been a material adverse change in the results of operations, financial condition or business of Noble or (iii) there has been a material breach of any representation, warranty or covenant set forth in the Merger Agreement by Noble and such breach has not been cured within five business days following receipt by Noble of notice thereof.

See "Certain Provisions of the Merger Agreement -- Termination."

TERMINATION FEES AND REIMBURSEMENT OF EXPENSES

If either Noble or Chiles terminates the Merger Agreement for certain of the reasons described above in "Termination of the Merger Agreement" and (i) the Merger Agreement either has not been submitted to the stockholders of Chiles or the stockholders of Chiles have declined to approve the Merger Agreement by the requisite vote, (ii) after the date of the Merger Agreement but prior to the time the Merger Agreement is terminated there shall have been a Chiles Acquisition Transaction proposed in writing to Chiles and (iii) any Chiles Acquisition Transaction (whether the same or different from the one referenced in clause (ii)) is consummated within any time within one year after the date of the Merger Agreement, then Chiles will be required to pay Noble the sum of $6,000,000.

In addition, if either Noble or Chiles terminates the Merger Agreement because of the failure of the stockholders of the other to approve the Merger, then the party whose stockholders have failed to approve the Merger will be required to pay to the other party $1,000,000 as reimbursement for an agreed upon estimate of the terminating party's out-of-pocket fees and expenses incurred in connection with the Merger; provided, however, that if Chiles is obligated to pay to Noble the $6,000,000 termination fee described in the preceding paragraph, then Chiles may offset from the amount of such termination fee any amount paid to Noble as a reimbursement for out-of-pocket fees and expenses incurred in connection with the Merger. See "Certain Provisions of the Merger Agreement -- Termination."

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Merger is intended to qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, and should, therefore, constitute a non-taxable transaction for holders of Chiles Common Stock and Chiles Preferred Stock, except to the extent of cash received, if any, in lieu of fractional shares of Noble Common Stock. For a discussion of these and other federal income tax considerations in connection with the Merger, see "The Merger -- Certain Federal Income Tax Consequences" and "Description of Noble Capital Stock -- Federal Income Tax Considerations Regarding $1.50 Noble Preferred Stock."

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ANTICIPATED ACCOUNTING TREATMENT

The Merger is expected to be accounted for as a "pooling of interests" for accounting and financial reporting purposes. See "The Merger -- Anticipated Accounting Treatment."

NO APPRAISAL RIGHTS

Under Delaware law, neither Noble's nor Chiles' stockholders will be entitled to any appraisal or dissenter's rights in connection with the Merger. See "The Merger -- No Appraisal Rights."

INTERESTS OF CERTAIN PERSONS IN THE MERGER

In considering the recommendation of the Board of Directors of Chiles with respect to the Merger, Chiles stockholders should be aware that (i) two executive officers of Chiles who are also directors of Chiles will receive certain bonus payments upon consummation of the Merger pursuant to pre-existing agreements with Chiles, (ii) two directors of Chiles are affiliates of a major stockholder of Chiles that will enter into a registration rights agreement with Noble, subject to consummation of the Merger, (iii) two of the executive officers of Chiles who are also directors of Chiles have severance agreements with Chiles that provide that should their employment be terminated by Noble within one year of consummation of the Merger, under certain circumstances such persons would be entitled to certain benefits, (iv) seven of the directors of Chiles hold Chiles Options that will either be exchanged for shares of Noble Common Stock or converted into options to purchase Noble Common Stock upon consummation of the Merger and (v) two designees of Chiles, including a current director of Chiles, will be elected to the Board of Directors of Noble effective at the Effective Time. See "The Merger -- Interests of Certain Persons in the Merger."

$1.50 NOBLE PREFERRED STOCK

The $1.50 Noble Preferred Stock will have substantially the same rights, preferences, privileges and voting power as the Chiles Preferred Stock. The $1.50 Noble Preferred Stock will rank senior to the Noble Common Stock, and on a parity with the outstanding $2.25 Convertible Exchangeable Preferred Stock of Noble, par value $1.00 per share ("$2.25 Noble Preferred Stock"), with respect to the payment of dividends and upon liquidation, dissolution or winding up of Noble. See "Description of Noble Capital Stock -- $2.25 Noble Preferred Stock," "-- $1.50 Noble Preferred Stock" and " -- Federal Income Tax Considerations Regarding the $1.50 Noble Preferred Stock." The ability of Noble to pay dividends on the $1.50 Noble Preferred Stock will be subject to certain contractual limitations pursuant to the indenture governing the Noble 9 1/4% Senior Notes Due 2003 and Noble's bank credit agreement. The $1.50 Noble Preferred Stock will rank on a parity with the $2.25 Noble Preferred Stock with respect to the payment of dividends, which means that no dividends may be paid on the $2.25 Noble Preferred Stock unless accrued dividends on the $1.50 Noble Preferred Stock are also paid. See "Description of Noble Capital Stock -- Restrictions on Dividends."

CHILES OPTIONS

Pursuant to the Merger Agreement, all outstanding Chiles Options will be either cancelled and exchanged for Noble Common Stock or converted into options to purchase Noble Common Stock. Chiles has agreed to use its best efforts to take all action necessary to provide for the exchange of all outstanding Chiles Options for shares of Noble Common Stock. Such exchange will be consummated at the Effective Time, provided that each holder of Chiles Options has consented thereto. If such consents are obtained and based on the number of Chiles Options currently outstanding, all such options shall be cancelled effective at the Effective Time in exchange for an aggregate of 480,000 shares of Noble Common Stock.

If such consents have not been obtained by Chiles prior to the consummation of the Merger, then the Chiles Options will not be exchanged for Noble Common Stock and Noble will take all action necessary to assume, effective at the Effective Time, all Chiles Options that remain as of such time unexercised in whole or in part. Each Chiles Option will thereafter entitle the holder to purchase that number of shares of Noble Common Stock equal to the product of the number of shares of Chiles Common Stock subject to the Chiles

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Option multiplied by 0.75. The exercise price per share of Noble Common Stock under such assumed option will be equal to the exercise price per share under the Chiles Option divided by 0.75. See "Certain Provisions of the Merger Agreement -- Chiles Options."

LISTING OF SHARES; MARKET AND MARKET PRICES

Noble Common Stock and the $2.25 Noble Preferred Stock are traded in the NASDAQ National Market System under the symbols "NDCO" and "NDCOP," respectively, and application will be made to list the $1.50 Noble Preferred Stock in the NASDAQ National Market System. Chiles Common Stock and Chiles Preferred Stock are traded on the American Stock Exchange under the symbols "CHC" and "CHCpr," respectively.

The following table sets forth the closing sale prices per share of Noble Common Stock and $2.25 Noble Preferred Stock as reported in the NASDAQ National Market System, the closing sale prices per share of Chiles Common Stock and Chiles Preferred Stock on the American Stock Exchange and the equivalent per share price (as explained below) of Chiles Common Stock on June 10, 1994, the business day preceding public announcement of the Merger, and on August , 1994, the last full trading day for which prices were available prior to the date of this Joint Proxy Statement/Prospectus.

<TABLE>
<CAPTION>

MARKET PRICE PER SHARE AT:	NOBLE COMMON STOCK	$2.25 NOBLE PREFERRED STOCK	CHILES COMMON STOCK	CHILES PREFERRED STOCK	EQUIVALENT PER SHARE PRICE OF CHILES COMMON STOCK
<S>	<C>	<C>	<C>	<C>	<C>
June 10, 1994..............................	$7.00	$ 40.75	$5.00	$ 22.25	$ 5.25
August , 1994..............................	$	$	$	$	$

</TABLE>

The equivalent per share price of a share of Chiles Common Stock represents the closing sale price of a share of Chiles Common Stock on such date multiplied by the exchange ratio of 0.75 of a share of Noble Common Stock for each share of Chiles Common Stock.

Stockholders are advised to obtain current market quotations for Noble Common Stock, Chiles Common Stock and Chiles Preferred Stock. No assurance can be given as to the market price of Noble Common Stock, Chiles Common Stock or Chiles Preferred Stock at, or in the case of Noble Common Stock and $1.50 Noble Preferred Stock after, the Effective Time.

INVESTMENT CONSIDERATIONS

For a discussion of certain considerations with respect to the business and operations of Noble and Chiles that should be evaluated by an investor before determining how to vote at the respective special meetings, see "Investment Considerations."

NOBLE CHARTER AMENDMENT

At the Noble Special Meeting, the holders of Noble Common Stock will also be asked to adopt a proposal to amend the Restated Certificate of Incorporation of Noble to increase the number of authorized shares of Noble Common Stock from 75,000,000 to 200,000,000. The Board of Directors of Noble has determined that it is in the best interests of Noble and its stockholders to effect the Noble Charter Amendment in order to permit Noble to consummate the Merger and to provide Noble the flexibility to issue Noble Common Stock in future transactions without further stockholder action. The obligations of Chiles and Noble to consummate the Merger are conditioned upon receiving the approval and adoption by the stockholders of Noble of the Merger Proposal and the Noble Charter Amendment. The Noble Charter Amendment will be effected if it is adopted by the stockholders of Noble irrespective of whether the Merger Proposal is approved. See "Proposal to Adopt Noble Charter Amendment."

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NOBLE PLAN AMENDMENT

At the Noble Special Meeting, the holders of Noble Common Stock will also be asked to approve an amendment to the Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan in order to increase from 1,900,000 to 5,200,000 the number of shares of Noble Common Stock available for issuance thereunder and to make certain amendments to conform with recent changes in federal tax laws. The Board of Directors of Noble has determined that such amendments are in the best interests of Noble and its stockholders because they will permit the continuation of a compensation plan that assists Noble in attracting and retaining key employees. If the Noble Plan Amendment is approved by the Noble stockholders, the amendments will be effected whether or not the Merger Proposal or the Noble Charter Amendment is approved or adopted by the stockholders of Noble. See "Proposal to Approve Noble Plan Amendment." Approval of the Noble Plan Amendment is not a condition to consummation of the Merger.

SUMMARY HISTORICAL FINANCIAL DATA

The following tables set forth summary historical financial data of Noble for each of the five fiscal years in the period ended December 31, 1993 and for the three months ended March 31, 1994 and 1993, of Chiles for each of the same periods and of Triton Engineering Services Company, a wholly owned subsidiary of Noble ("Triton"), for the year ended December 31, 1993 and the three months ended March 31, 1994. Noble acquired all of the issued and outstanding stock of Triton in April 1994. For information regarding the acquisition by Noble of Triton (the "Triton Acquisition"), see "The Companies -- Noble Drilling Corporation -- Triton Acquisition." The data presented below have been derived from and should be read in conjunction with the consolidated financial statements of Noble, Triton and Chiles and the related notes thereto included in the documents incorporated by reference in this Joint Proxy Statement/Prospectus. Results for the interim periods are not necessarily indicative of results for the full year.

NOBLE

<TABLE>
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	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1994	1993(A)	1993(A)	1992	1991	1990	1989
		(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:							
Operating revenues..........	$ 59,248	$ 52,172	$194,942	$139,713	$177,378	$131,353	$102,476
Income (loss) from continuing operations(B)............	4,467	3,392	19,146	(8,085)	(13,360)	(8,752)	(10,082)
Preferred stock dividends...	1,682	1,682	6,728	6,728	721		
Income (loss) from continuing operations applicable to common shares...................	2,785	1,710	12,418	(14,813)	(14,081)	(8,752)	(10,082)
Income (loss) from continuing operations per common share(C)..........	0.06	0.05	0.32	(0.43)	(0.42)	(0.35)	(0.48)
Weighted average common shares outstanding.......	48,355	34,712	38,366	34,014	33,656	26,796	22,509
Ratio of earnings to fixed charges(D)...............	2.86	4.90	4.78				
Balance Sheet Data (at end of period):							
Working capital.............	$ 78,989	$ 26,591	$ 74,409	$ 23,734	$ 46,353	$ 42,741	$ 18,576
Total assets(E).............	506,877	302,386	499,717	310,139	376,979	271,416	176,554
Long-term debt(E)...........	127,138	38,839	127,144	41,255	71,166	59,471	20,047
Shareholders' equity(E).....	331,480	213,920	328,953	211,728	230,307	169,461	118,656

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(A) Effective during the quarter ended March 31, 1993, Noble's international subsidiaries began reporting their financial results on a current rather than a month-lag basis. This change resulted in the inclusion of the December 1992 operating results of such international subsidiaries in the operating results of Noble for the first quarter of 1993. Revenues and income from continuing operations for this additional one-month period were $7,687,000 and $140,000; respectively, and are not considered material to the Noble's overall results of operations.

(B) Includes a charge for restructuring costs of $6,134,000 in 1991.

(C) Includes the effect of accretion on stock subject to put option prior to December 31, 1991, which is charged to retained earnings and not reflected in the amount of net loss applicable to common shares for each applicable period. The amount of the accretion was $92,000, $591,000 and $776,000 for the years ended December 31, 1991, 1990 and 1989, respectively.

(D) For the purposes of computing the ratio, "earnings" represents income (loss) from continuing operations before income taxes plus fixed charges exclusive of capitalized interest, and "fixed charges" consists of interest, whether expensed or capitalized, amortization of debt expense and an estimated portion of rentals representing interest costs. As a result of the losses incurred in 1992, 1991, 1990 and 1989, earnings did not cover fixed charges by $5,844,000, $12,339,000, $8,155,000 and $9,286,000, respectively.

(E) Includes the October 7, 1993 acquisition of nine offshore rigs and associated assets (the "Western Acquisition") from The Western Company of North America ("Western") for $150,000,000 in cash. Noble financed the Western Acquisition through public offerings of 12,041,000 shares of Noble Common Stock at $8.375 per share and $125,000,000 principal amount of Noble's 9 1/4% Senior Notes Due 2003.

CHILES

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1994	1993	1993	1992	1991	1990	1989
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data(A):							
Operating revenues..................	$ 19,673	$ 13,151	$ 69,589	$ 44,453	$ 52,773	$ 50,478	$ 27,228
Income (loss) from continuing operations(B).....................	3,654	(3,725)	1,936	(31,893)	(25,814)	(2,762)	(10,531)
Preferred stock dividends...........	1,509		1,208				
Income (loss) from continuing operations applicable to common shares............................	2,145	(3,725)	728	(31,893)	(25,814)	(2,762)	(10,531)
Income (loss) from continuing operations per common share........	0.06	(0.10)	0.02	(1.74)	(1.63)	(0.21)	(5.52)
Weighted average common shares outstanding.......................	38,097	38,053	38,076	18,330	15,864	13,410	1,907
Ratio of earnings to fixed charges(C)........................	79.33		1.86				
Balance Sheet Data (at end of period):							
Working capital (deficit)(D)(E)......	$ 78,137	$ 16,611	$ 76,126	$ 19,259	$(49,592)	$ 11,446	$ 12,524
Total assets........................	199,358	144,235	196,836	146,390	184,008	203,015	62,065
Long-term debt(D)(E)................		45,297		46,025	1,979	67,537	17,496
Shareholders' equity(E).............	189,967	85,990	187,817	89,906	94,060	119,874	38,217

</TABLE>

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(A) Between 1989 and 1991, the Chiles' rig fleet changed substantially due to a series of acquisitions and dispositions. Such changes had a material effect on Chiles' capacity to generate revenue and the costs of its operations and should be considered carefully when examining the operating data included herein.

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(B) Includes provisions which were made to reduce rig carrying values to their estimated recoverable values in 1992 and 1991 of $21,120,000 and $5,000,000, respectively.

(C) For the purposes of computing the ratio, "earnings" represents income (loss) from continuing operations before income taxes plus fixed charges exclusive of capitalized interest, and "fixed charges" consists of interest, whether expensed or capitalized, amortization of debt expense and an estimated portion of rentals representing interest costs as a result of the losses incurred in the first quarter 1993, and the years of 1992, 1991, 1990 and 1989, earnings did not cover fixed charges by $3,483,000, $30,738,000, $25,472,000, $3,064,000 and $10,531,000, respectively.

(D) As of December 31, 1991, Chiles reclassified $50,500,000 of its outstanding indebtedness from long-term to current liabilities. This reclassification was made because as of such date Chiles anticipated not being able to remain in compliance, and subsequently was not able to remain in compliance, with all of the terms of its debt agreements.

(E) Chiles completed a public offering of Chiles Preferred Stock during October 1993 which resulted in net proceeds of $96,500,000. Chiles used approximately $45,226,000 of such proceeds to repay all of its outstanding indebtedness, including prepayments of principal of $44,255,000. The remaining net proceeds were invested in cash and cash equivalents and marketable securities as of December 31, 1993 and March 31, 1994.

TRITON

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1994	YEAR ENDED DECEMBER 31, 1993
	(IN THOUSANDS)	
<S>	<C>	<C>
Statement of Operations Data:		
Operating revenues	$26,188	$123,834
Income (loss) from continuing operations	(2,491)(A)	1,506
Balance Sheet Data (at end of period):		
Working capital	$14,153	$ 17,472
Total assets	61,035	72,171
Long-term debt		
Shareholders' equity	12,918	15,157

</TABLE>

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(A) Includes the write-off of $2,220,000 of notes receivable from a partnership that was not part of the Triton Acquisition.

SUMMARY PRO FORMA COMBINED FINANCIAL DATA

The following summary unaudited pro forma combined financial data assume (i) the consummation of the Merger and (ii) the consummation of both the Merger and the Triton Acquisition. The Merger is accounted for as a "pooling of interests" and the Triton Acquisition is accounted for as a "purchase" transaction. The following pro forma statement of operations data do not purport to be indicative of the results that would actually have been obtained if the combinations had been in effect as of the dates indicated or that may be obtained in the future. The following selected pro forma combined financial data are derived from the unaudited pro forma combined financial statements and notes thereto appearing elsewhere in this Joint Proxy Statement/Prospectus and should be read in conjunction with such information and notes.

NOBLE AND CHILES

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	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	1994	1993	1993	1992	1991
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)				
<S>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:					
Operating revenues	$ 78,921	$ 65,323	$264,531	$184,166	$230,151
Income (loss) from continuing operations	8,121	(333)	21,082	(39,978)	(39,174)
Preferred stock dividends	3,191	1,682	7,936	6,728	721
Income (loss) from continuing operations applicable to common shares	4,930	(2,015)	13,146	(46,706)	(39,895)
Income (loss) from continuing operations per common share	0.06	(0.03)	0.20	(0.98)	(0.88)
Pro forma weighted average common shares outstanding	76,928	63,252	66,923	47,762	45,554
Ratio of earnings to fixed charges(A)	4.11	1.39	3.73		
Balance Sheet Data (at end of period):					
Working capital (deficit)	$157,126	$ 43,202	$150,535	$ 42,993	$ (3,239)
Total assets	706,235	446,621	696,553	456,529	560,987
Long-term debt	127,138	84,136	127,144	87,280	73,145
Shareholders' equity	521,447	299,910	516,770	301,634	324,367

</TABLE>

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(A) For the purposes of computing the ratio, "earnings" represents income (loss) from continuing operations before income taxes plus fixed charges exclusive of capitalized interest, and "fixed charges" consists of interest, whether expensed or capitalized, amortization of debt expense and an estimated portion of rentals representing interest costs. As a result of the losses incurred in 1992 and 1991, earnings did not cover fixed charges by $36,282,000 and $37,811,000, respectively.

NOBLE, CHILES AND TRITON

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1994	YEAR ENDED DECEMBER 31, 1993
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)	
<S>	<C>	<C>
Statement of Operations Data(A):		
Operating revenues	$105,056	$428,284
Income from continuing operations	8,215	17,192
Preferred stock dividends	3,191	7,936
Income from continuing operations applicable to common shares	5,024	9,256
Income from continuing operations per common share	0.06	0.12
Pro forma weighted average common shares outstanding	77,680	76,910
Ratio of earnings to fixed charges	4.32	2.41
Balance Sheet Data (at end of period):		
Working capital	$163,194	$159,922
Total assets	763,521	762,736
Long-term debt	127,138	127,144
Shareholders' equity	526,616	521,939

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(A) Noble historical amounts were adjusted to include the effects of the Western Acquisition as if it had occurred on January 1, 1993.

COMPARATIVE PER SHARE DATA

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The following tables present comparative per share information (a) for each of Noble and Chiles on a historical basis, (b) for Noble and Chiles on a pro forma combined basis assuming the Merger had been effective during the periods presented and (c) for Noble, Chiles and Triton on a pro forma combined basis assuming the Merger and the Triton Acquisition had been effective during the periods presented. The pro forma information has been prepared giving effect to the Merger as a "pooling of interests" and to the Triton Acquisition as a "purchase" transaction. Equivalent pro forma information for Chiles Common Stock has been calculated based on the Merger exchange ratio of 0.75 of a share of Noble Common Stock for each share of Chiles Common Stock. No cash dividends were paid by Noble, Chiles or Triton during any of the periods presented.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	1994	1993	1993	1992	1991
Noble -- Historical					
Income (loss) from continuing operations applicable to common shares	$0.06	$ 0.05	$0.32	$(0.43)	$(0.42)
Book value	5.36	4.02	5.32	3.96	4.58
Chiles -- Historical					
Income (loss) from continuing operations applicable to common shares	$0.06	$(0.10)	$0.02	$(1.74)	$(1.63)
Book value	2.35	2.26	2.29	2.36	5.93
Noble and Chiles -- Pro Forma					
Income (loss) from continuing operations applicable to common shares	$0.06	$(0.03)	$0.20	$(0.98)	$(0.88)
Book value	4.53	3.56	4.47	3.60	5.44
Noble and Chiles -- Equivalent Pro Forma Per Chiles(A)					
Income (loss) from continuing operations applicable to common shares	$0.05	$(0.02)	$0.15	$(0.73)	$(0.66)
Book value	3.40	2.68	3.36	2.70	4.09
Noble, Chiles and Triton -- Pro Forma					
Income from continuing operations applicable to common shares	$0.06		$0.12		
Book value	4.55		4.49		

- ---------------

(A) Computed on an equivalent pro forma combined basis assuming Chiles was the issuing company.

THE COMPANIES

NOBLE DRILLING CORPORATION

Noble is a leading provider of diversified contract drilling services for the oil and gas industry worldwide. Noble's activities include offshore and land drilling services and engineering and production management services. Noble's drilling fleet is broadly diversified allowing it to work in a variety of operating conditions.

Noble's business strategy has been to expand actively its international and offshore capabilities through acquisitions and to position itself in geologically promising areas. Noble attempts to balance its revenues between international and domestic operations.

Noble was organized as a Delaware corporation in 1939. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells for others domestically since 1921 and internationally during various periods since 1939.

Offshore Drilling Operations. Noble's offshore drilling operations are conducted worldwide. Principal regions of operations currently include the Gulf of Mexico, West Africa, Venezuela and, to a lesser extent, India. The offshore

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fleet consists of 33 rigs, composed of 19 jackup drilling rigs, eight submersible rigs, four posted barges and two platform rigs. The average age of the offshore fleet is 11 years, with 23 of the 33 offshore rigs having been built or rebuilt since 1980. The offshore fleet is currently diversified geographically as follows: U.S. Gulf -- 18 rigs; Mexican Gulf -- two rigs; Nigeria and West Africa -- six rigs; Venezuela -- four rigs; and India -- one rig.

Noble's offshore operations also include labor contracts for drilling and workover activities covering 15 rigs operating in the U.K. North Sea. These rigs are not owned or leased by Noble. Under these labor contracts, Noble provides its customers with field personnel and manages the drilling operations.

Land Operations. Noble's land drilling operations are conducted principally in Western Canada, Texas and Louisiana. Eighteen of Noble's 48 land rigs are being or can be actively bid by Noble. As of June 1, 1994, 12 of the 48 rigs were operating under contract, six were available for bidding and 30 were not being actively marketed. These 30 rigs are stacked and can be reactivated and placed into operation in the near term should economically viable drilling contracts for such rigs be obtained. The 18 active rigs have an average age of 14 years. The domestic land drilling operations of Noble are expected to diminish in significance as Noble continues to emphasize offshore and international operations.

Engineering and Production Management Services. Noble provides, through its wholly owned subsidiary, Noble Engineering Services Ltd., engineering services relating primarily to the design of drilling equipment for offshore development and production services. Noble Engineering works, on a contract basis, with operators and prime construction contractors of drilling and production platforms in the design of drilling equipment configurations aimed at optimizing the operational efficiency of developmental drilling by maximizing platform space utilization and load capability.

Triton Acquisition. On April 22, 1994, Noble acquired all of the issued and outstanding stock of Triton pursuant to a Stock Purchase Agreement among Noble, Triton and the former stockholders of Triton (the "Triton Agreement"). Triton is engaged in providing engineering, consulting and turnkey drilling services, and manufacturing and rental of oil field equipment, for the oil and gas industry. In consideration for the stock of Triton, Noble delivered to the former owners of Triton (i) 751,864 shares of Noble Common Stock, (ii) $4,084,506 in cash and (iii) promissory notes in the aggregate principal amount of $4,000,000, which promissory notes mature on October 21, 1994. In addition, Noble has a contingent obligation to pay to the former owners of Triton at the end of two years after the closing date of the Triton Acquisition additional consideration, including up to 254,551 shares of Noble Common Stock, subject to reduction depending on the collection of certain contingent assets of Triton and the payment of certain contingent liabilities of Triton, as well as an indeterminable number of additional shares of Noble Common Stock in the event Triton achieves certain operating results for the year ending December 31, 1994.

CHILES OFFSHORE CORPORATION

Chiles is engaged in the drilling and workover of offshore oil and gas wells on a contract basis for major and independent oil and gas companies. Chiles' fleet consists of 13 jackup drilling rigs, 11 of which are located in the U.S. Gulf of Mexico and two of which are located offshore Nigeria. Chiles' two rigs operating offshore Nigeria are under contract until November 1994. Eight Chiles rigs are currently operating under well-to-well contracts in the U.S. Gulf of Mexico. One rig is stacked and actively being marketed in the U.S. Gulf of Mexico. Chiles' two remaining rigs are not currently being marketed and are stacked in the U.S. Gulf of Mexico.

During May 1994, Chiles entered into commitments for capital expenditures of approximately $6 million in connection with the fabrication and construction of an extended reach cantilever for one of its three Marathon LeTourneau slot rigs. Construction of the extended reach cantilever is currently underway.

THE MEETINGS

MATTERS TO BE CONSIDERED AT THE MEETINGS

Noble Special Meeting. At the Noble Special Meeting, holders of Noble

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Common Stock will be asked to consider and vote upon:

(1) The Merger Proposal, which includes, as a single proposal, (a) the approval of the Merger Agreement, pursuant to which, among other things, (i) Chiles would merge with and into Noble Sub and (ii) each issued and outstanding share of Chiles Common Stock would be converted in the Merger into the right to receive 0.75 of a share of Noble Common Stock and each issued and outstanding share of Chiles Preferred Stock would be converted in the Merger into the right to receive one share of $1.50 Noble Preferred Stock, subject to and in accordance with the terms and conditions of the Merger Agreement, and (b) the approval of the issuance of shares of Noble Common Stock and $1.50 Noble Preferred Stock pursuant to the Merger Agreement;

(2) a proposal to adopt the Noble Charter Amendment;

(3) a proposal to approve the Noble Plan Amendment; and

(4) such other matters as may properly be brought before the Noble Special Meeting.

Chiles Special Meeting. At the Chiles Special Meeting, holders of Chiles Common Stock will be asked to consider and vote upon the authorization, approval and adoption of the Merger Agreement and such other matters as may properly be brought before the Chiles Special Meeting.

RECOMMENDATIONS OF THE BOARDS OF DIRECTORS

Noble. The Board of Directors of Noble has unanimously approved (i) the Merger, the Merger Agreement and the issuance of shares of Noble Common Stock and $1.50 Noble Preferred Stock pursuant to the Merger Agreement, (ii) the Noble Charter Amendment and (iii) the Noble Plan Amendment, and unanimously recommends that the stockholders of Noble vote FOR approval and adoption of each such matter.

Chiles. The Board of Directors of Chiles has unanimously approved the Merger and the Merger Agreement and unanimously recommends that the stockholders of Chiles vote FOR authorization, approval and adoption of the Merger Agreement.

VOTING AT MEETINGS; RECORD DATES

Noble. Noble has established   , 1994, as the record date for the determination of stockholders entitled to notice of and to vote at the Noble Special Meeting. Only holders of record of Noble Common Stock at the close of business on such date are entitled to notice of and to vote at the Noble Special

Meeting. On the record date for the Noble Special Meeting, there were 48,524,467 shares of Noble Common Stock outstanding and entitled to be voted at the Noble Special Meeting. A majority of such shares, present in person or represented by proxy, is necessary to constitute a quorum at the Noble Special Meeting. Each share of Noble Common Stock is entitled to one vote with respect to the approval of the Merger Proposal, the adoption of the Noble Charter Amendment and the approval of the Noble Plan Amendment. Holders of $2.25 Noble Preferred Stock are not entitled as such to vote at the Noble Special Meeting.

The affirmative vote of the holders of a majority of the outstanding shares of Noble Common Stock present and entitled to vote thereon at the Noble Special Meeting is required to approve the Merger Proposal. Approval of the Merger Proposal will constitute approval of each aspect of the Merger Proposal. Approval of the Merger Proposal by the holders of Noble Common Stock is required by the rules of the National Association of Securities Dealers, Inc. for companies, like Noble, with securities listed in the NASDAQ National Market System and is a condition to the consummation of the Merger.

Adoption of the Noble Charter Amendment requires the affirmative vote of the holders of a majority of the shares of Noble Common Stock outstanding and entitled to vote at the meeting. Approval of the Noble Plan Amendment requires the affirmative vote of the holders of a majority of the outstanding shares of Noble Common Stock present and entitled to vote thereon at the Noble Special Meeting.

The respective obligations of Noble and Chiles to consummate the Merger are

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subject to, among other conditions, the approval and adoption by the stockholders of Noble of both the Merger Proposal and the Noble Charter Amendment. Thus, notwithstanding the approval of the Merger Proposal at the Noble Special Meeting, if the Noble Charter Amendment is not adopted by the requisite vote of the stockholders of Noble, the Merger will not be consummated. If the Noble Charter Amendment is adopted by stockholders, it will be effected regardless of whether the Merger Proposal is approved.

Chiles. Chiles has established   , 1994, as the record date for the determination of stockholders entitled to notice of and to vote at the Chiles Special Meeting. Only holders of record of Chiles Common Stock at the close of business on such date are entitled to notice of and to vote at the Chiles Special Meeting. On the record date for the Chiles Special Meeting, there were 38,131,780 shares of Chiles Common Stock outstanding and entitled to be voted at the Chiles Special Meeting. A majority of such shares, present in person or represented by proxy, is necessary to constitute a quorum at the Chiles Special Meeting. Each share of Chiles Common Stock is entitled to one vote with respect to the approval and adoption of the Merger Agreement. The affirmative vote of the holders of a majority of the shares of Chiles Common Stock outstanding and entitled to vote at the meeting is required to authorize, approve and adopt the Merger Agreement. Holders of Chiles Preferred Stock are not entitled as such to vote on the Merger at the Chiles Special Meeting.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN OTHER PERSONS

Noble. As of the record date for the Noble Special Meeting, directors and executive officers of Noble and their affiliates (excluding shares owned by the Foundation) owned beneficially approximately 1.5 percent of the outstanding shares of Noble Common Stock. Each of the directors and executive officers of Noble has advised Noble that he intends to vote or direct the vote of all shares of Noble Common Stock of which he has beneficial ownership in favor of the approval and adoption of the Merger Proposal, the Noble Charter Amendment and the Noble Plan Amendment. The Foundation held, as of the record date for the Noble Special Meeting, 5,459,537 shares of Noble Common Stock (approximately 11.3 percent of the outstanding shares). Two directors of Noble serve on the nine-member board of trustees of the Foundation. The voting of the shares held by the Foundation requires a majority vote of its trustees at a meeting at which a quorum of trustees is present. Accordingly, neither of the two directors of Noble, individually, nor both of them, acting together, represent sufficient voting power on the Foundation's board of trustees to determine voting decisions with respect to shares held by the Foundation.

Chiles. As of the record date for the Chiles Special Meeting, the directors, executive officers and two principal stockholders of Chiles, P.A.J.W. and OMI, held an aggregate of 14,916,342 shares of Chiles Common Stock (approximately 39.1 percent of the outstanding shares). Such persons are not obligated to

vote their shares in favor of approval and adoption of the Merger Agreement, but each of them or their representatives has advised Chiles that they presently intend to vote their shares in favor of approval and adoption of the Merger Agreement.

PROXIES

Noble. Shares of Noble Common Stock represented by a proxy in the form enclosed, duly executed and returned to Noble prior to or at the Noble Special Meeting, and not revoked, will be voted at the Noble Special Meeting in accordance with the voting instructions contained therein. Shares of Noble Common Stock represented by proxies for which no voting instructions are given will be voted FOR approval and adoption of the Merger Proposal, the Noble Charter Amendment and the Noble Plan Amendment.

Holders of Noble Common Stock are requested to complete, sign, date and return promptly the enclosed proxy card in the postage paid envelope provided for this purpose in order to insure that their shares are voted at the Noble Special Meeting. A proxy may be revoked at any time prior to the exercise of the authority granted thereunder. Revocation may be accomplished by (i) the execution and delivery of a later-dated proxy with respect to the same shares, (ii) giving notice thereof in writing to the Secretary of Noble at any time prior to the vote on the matters to be considered at the Noble Special Meeting or (iii) attending the Noble Special Meeting and voting in person. Attendance at

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the Noble Special Meeting by a stockholder who signed a proxy will not in itself revoke the proxy.

If a holder of Noble Common Stock does not return a signed proxy card (and does not vote in person at the Noble Special Meeting), his or her shares will not be voted at the Noble Special Meeting. Such failure to vote will have the effect of a vote against the adoption of the Noble Charter Amendment, and thus effectively a vote against the Merger. Abstentions and broker non-votes with respect to the Noble Charter Amendment will also have the effect of a vote against the adoption of the Noble Charter Amendment, and thus effectively a vote against the Merger.

If a voting instruction card is enclosed, it serves as a voting instruction to the trustee of the Noble Drilling Corporation Thrift Plan, as amended (the "Thrift Plan"), from the plan participant. The trustee under the Thrift Plan will vote the shares of Noble Common Stock credited to Thrift Plan participants' accounts in accordance with such participants' instructions. If no such voting instructions are received from a participant, then, according to the terms of the Thrift Plan, the trustee under the Thrift Plan will vote the shares in such participant's account in its absolute discretion.

The Board of Directors of Noble knows of no matters to be presented at the Noble Special Meeting other than those described in this Joint Proxy Statement/Prospectus. If other matters are properly brought before the Noble Special Meeting, it is the intention of the persons named as proxies to vote with respect to such matters in accordance with their judgment.

Chiles. Shares of Chiles Common Stock represented by a proxy in the form enclosed, duly executed and returned to Chiles prior to or at the Chiles Special Meeting, and not revoked, will be voted at the Chiles Special Meeting in accordance with the voting instructions contained therein. Shares of Chiles Common Stock represented by proxies for which no voting instructions are given will be voted FOR approval and adoption of the Merger Agreement.

Holders of Chiles Common Stock are requested to complete, sign, date and return promptly the enclosed proxy card in the postage paid envelope provided for this purpose in order to insure that their shares are voted at the Chiles Special Meeting. A proxy may be revoked at any time prior to the exercise of the authority granted thereunder. Revocation may be accomplished by (i) the execution and delivery of a later dated proxy with respect to the same shares, (ii) giving notice thereof in writing to the Secretary of Chiles at any time prior to the vote on the matters to be considered at the Chiles Special Meeting or (iii) attending the Chiles Special Meeting and voting in person. Attendance at the Chiles Special Meeting by a stockholder who signed a proxy will not in itself revoke the proxy.

If a holder of Chiles Common Stock does not return a signed proxy card (and does not vote in person at the Chiles Special Meeting), his or her shares will not be voted at the Chiles Special Meeting. Such failure to vote will have the effect of a vote against the approval and adoption of the Merger Agreement. Abstentions and broker non-votes with respect to shares of Chiles Common Stock will also have the effect of a vote against the approval and adoption of the Merger Agreement.

The Board of Directors of Chiles knows of no matters to be presented at the Chiles Special Meeting other than the matter described in this Joint Proxy Statement/Prospectus. If other matters are properly brought before the Chiles Special Meeting, it is the intention of the persons named as proxies to vote with respect to such matters in accordance with their judgment.

SOLICITATION OF PROXIES

Solicitation of proxies for use at the Noble Special Meeting and the Chiles Special Meeting may be made in person or by mail, telephone, telecopy or telegram. Noble and Chiles will each bear the cost of the solicitation of proxies from their respective stockholders, except that Noble and Chiles will share equally the expenses incurred in connection with printing and mailing this Joint Proxy Statement/Prospectus. Noble has employed Beacon Hill Partners, Inc. to solicit proxies on behalf of Noble for use at the Noble Special Meeting for a fee of $6,500 plus certain out-of-pocket expenses. In addition, officers and employees of Noble and Chiles, who will receive no compensation in excess of their regular salaries for their services, may solicit proxies from the

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stockholders of Noble and Chiles, respectively, in person or by mail, telephone, telecopy or telegram. Noble and Chiles have requested banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Noble Common Stock and Chiles Common Stock held of record by such entities, and Noble and Chiles will, upon the request of such record holders, reimburse reasonable forwarding expenses.

THE MERGER

The detailed terms and conditions to the consummation of the Merger are contained in the Merger Agreement, a copy of which is attached as Appendix I and incorporated herein by reference. The following discussion sets forth a description of certain material terms and conditions of the Merger Agreement. The description in this Joint Proxy Statement/Prospectus of the terms and conditions to the consummation of the Merger is qualified by, and made subject to, the more complete information set forth in the Merger Agreement.

EFFECTS OF THE MERGER

Pursuant to the Merger Agreement, at the Effective Time, Chiles will merge with and into Noble Sub and each share of capital stock of Chiles issued and outstanding immediately prior to the Effective Time (other than shares of capital stock of Chiles owned by Chiles as treasury stock which will be cancelled without any conversion thereof) will be converted into the right to receive shares of capital stock of Noble as follows:

(i) Chiles Common Stock. Each share of Chiles Common Stock will be converted into the right to receive 0.75 of a share of Noble Common Stock.

(ii) Chiles Preferred Stock. Each share of Chiles Preferred Stock will be converted into the right to receive one share of $1.50 Noble Preferred Stock having substantially the same rights, privileges, preferences and voting power as the Chiles Preferred Stock.

As a result of the Merger, the separate corporate existence of Chiles will cease and all of the properties, rights, privileges, powers and franchises of Chiles will vest in Noble Sub, which will be the surviving corporation in the Merger, and all of the debts, liabilities and duties of Chiles will attach to Noble Sub.

Assuming no change in the number of shares of Chiles Common Stock outstanding at the Effective Time from the number outstanding on the record date for the Chiles Special Meeting, the number of shares of Noble Common Stock subject to issuance in the Merger in exchange for shares of Chiles Common Stock is

approximately 28,598,835. Assuming no change in the number of shares of Chiles Preferred Stock outstanding at the Effective Time from the number outstanding on the record date for the Chiles Special Meeting, a total of 4,025,000 shares of $1.50 Noble Preferred Stock are subject to issuance in the Merger in exchange for shares of Chiles Preferred Stock.

A total of 480,000 additional shares of Noble Common Stock are issuable upon consummation of the Merger in exchange for and upon the cancellation of Chiles Options outstanding at the record date for the Chiles Special Meeting, in the event that each holder of Chiles Options approves such cancellation and exchange. See "Certain Provisions of the Merger Agreement -- Chiles Options."

Based on the capitalization of Noble and Chiles as of the record date for the special meetings, and assuming the cancellation of the Chiles Options in exchange for 480,000 shares of Noble Common Stock, immediately after the Effective Time, the former holders of Chiles Common Stock and Chiles Options will hold approximately 37.5 percent of the then outstanding Noble Common Stock. Noble does not own any shares of Chiles Common Stock or Chiles Preferred Stock.

BACKGROUND OF THE MERGER

The drilling industry has historically been highly competitive, due mainly to a large number of participants and a substantial oversupply of drilling equipment. As worldwide drilling activity has declined over the past decade, the industry has experienced substantial financial losses. During this period, drilling operations in the U.S. Gulf of Mexico have been particularly volatile

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and have been characterized by the movement of drilling rigs into and away from the Gulf in response to changes in demand.

In response to these conditions, and in an effort to protect and enhance stockholder value, Noble established certain objectives in 1985 to expand its offshore and international operations. Since that time Noble has been active in acquiring entities and assets in furtherance of those objectives, most recently with the acquisition of Triton in April 1994. In October 1993, Noble acquired nine offshore jackup drilling rigs and associated drilling assets from The Western Company of North America, as well as two submersible offshore drilling rigs from Portal Rig Corporation. In 1991, Noble acquired 12 offshore drilling rigs (five jackup and seven submersible rigs) and certain related assets from Transworld Drilling Company, a wholly owned subsidiary of Kerr-McGee Corporation. In 1988, Noble purchased Peter Bawden Drilling Ltd. (now named Noble Drilling (Canada) Ltd.) and its subsidiaries, which had established operations in the U.K. North Sea, Africa, the Far East and Canada. Also in 1988, Noble purchased six offshore and 20 land rigs and certain related assets from General Electric Capital Corporation.

As a continuation of such efforts, and while maintaining its focus on enhancing stockholder value, Noble has from time to time explored several possible acquisitions that management believed could help Noble meet its objectives. Analyses prepared by Noble management demonstrated that, among others, Chiles met Noble's criteria.

During 1993, Chiles accomplished several significant operational and financial goals that enabled it to reassess the company's long-term business strategy. Higher day rates and utilization for the company's rigs together with significant operating and administrative cost reductions undertaken beginning in the second half of 1992 resulted in Chiles reporting an operating profit for the first time in its history. Additionally, the offering of the Chiles Preferred Stock in October 1993 permitted Chiles to prepay all of its outstanding bank debt. Chiles ended 1993 with net working capital of $76.1 million and a fleet of 12 jackup rigs in the Gulf of Mexico and two jackup rigs offshore Nigeria. Chiles sold one of its rigs in April 1994.

Having made significant improvements in Chiles' cost structure and eliminated its debt, the Board of Directors of Chiles undertook the process of reevaluating Chiles' long-term strategic objectives in late 1993. As part of this analysis, the Chiles Board came to the conclusion that future success in the offshore drilling business would require industry consolidation, access to multiple core offshore oil and gas regions internationally in addition to the Gulf of Mexico and the capability to provide customers with a broader range of drilling services and equipment. The Chiles Board believed that the long-term prospects of Chiles' stockholders would

best be served if these strategic objectives could be achieved as soon as possible. In addition, the Board concluded that its fleet was not large enough to establish a presence in multiple markets without increasing its fixed costs to unacceptable levels. The Board directed management to explore Chiles' opportunities for expansion through selected rig acquisitions or a business combination.

Management of Chiles explored the prospects for selected rig acquisitions early in 1994. Chiles focused on premium jackup rigs capable of operating in markets outside the U.S. as well as in relatively deep water in the Gulf of Mexico. Chiles found few premium jackup drilling rigs available in the market at prices upon which it could reasonably expect to earn an acceptable return for its stockholders. As a result, management advised the Board that its strategic objectives could best be addressed through one or more business combinations.

In January 1994, Chiles engaged Salomon to serve as its financial advisor in connection with a review of Chiles' strategic alternatives. At the Board's request, Salomon undertook a review of possible business combination candidates, including offshore drilling contractors (including Noble) and other energy service companies. Salomon presented the results of its initial analysis to the Board at a meeting on February 8, 1994. At the conclusion of this meeting, the Board directed management to focus its efforts on reviewing certain potential business combination transactions that fit Chiles' strategic objectives as discussed above.

During February-April 1994, Chiles' management engaged in exploratory

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discussions with several offshore drilling contractors. The Chiles Board met by telephone with representatives of Salomon on March 7, 1994 to continue discussions regarding the status of potential candidates for a combination transaction. With the exception of Noble and one other company, as noted below, these conversations were exploratory in nature and did not lead to any proposals from Chiles or any other party.

On February 17, 1994, representatives of Marine Drilling Company ("Marine") contacted Mr. Winthrop A. Wyman, who was chairman of the Board of Chiles on such date, regarding Marine's interest in a business combination with Chiles. Mr. Wyman met with Marine's representatives and informed the other members of the Chiles Board of Marine's interest in discussing a business combination with Chiles. Marine is a publicly traded offshore drilling contractor with 11 jackup drilling rigs all located in the Gulf of Mexico. Representatives of Marine and Chiles had engaged in similar discussions on various occasions in the past. Such discussions had been exploratory in nature. On March 4, 1994, Mr. Wyman, together with Mr. C. Ray Bearden, President of Chiles, and Mr. Robert F. Fulton, Senior Vice President and Chief Financial Officer of Chiles, met with representatives of Marine to dicuss the terms of a possible combination. By letters dated April 9, 1994 and April 26, 1994, the Chairman of the Board and President of Marine wrote to Mr. Bearden suggesting certain terms of a merger with Chiles. Representatives of Chiles responded to Marine that the Chiles Board would consider Marine's expression of interest as part of its review of Chiles' various strategic alternatives but indicated that (i) Chiles had significant strategic concerns that would not be addressed by a combination with a contractor whose operations historically have been focused on the Gulf of Mexico, and (ii) the proposal was not within a range that such representatives considered fair to the holders of Chiles Common Stock based upon the underlying asset values and financial prospects of the two companies.

During March 1994, as part of its review of Chiles' strategic alternatives, representatives of Chiles asked Salomon to contact Noble regarding its interest in a possible business combination with Chiles. Salomon previously had prepared a review of Noble's operations, assets and financial condition for the Chiles Board meeting on February 8, 1994. On March 31, 1994, representatives of Salomon contacted James C. Day, President, Chairman of the Board and Chief Executive Officer of Noble, to schedule a meeting for April 10, 1994. The purpose of this meeting was to discuss areas of mutual interest between Noble and Chiles.

On April 6, 1994, Mr. Day met with representatives of Simmons to prepare for the upcoming discussions with Chiles. Noble engaged Simmons to develop an analysis of various acquisition opportunities, including Chiles, for subsequent presentation to the Board of Directors of Noble.

On April 10, 1994, Mr. Day met with representatives of Salomon and discussed Noble's interest in pursuing discussions with representatives of Chiles concerning a merger or similar acquisition transaction.

In response to Mr. Day's discussion with Salomon, Mr. Bearden met with Mr. Day on April 22, 1994, and discussed the various business advantages that would result from the combination of the two companies. They agreed on the importance of consolidation within the drilling industry, as well as the potential operational benefits of such a combination and the potential for enhancement of long-term stockholder value for both companies.

On April 28, 1994 and May 3, 1994, Mr. Bearden and Mr. Day met again and discussed generally Chiles' operations and its fleet and the potential operational benefits of a business combination.

On May 4, 1994, Noble management met with representatives of Simmons to discuss the preliminary information that had been developed by Simmons relative to acquisition opportunities. On May 10, 1994, management of Noble met again with representatives of Simmons to review the various analyses that had been performed relating to several different acquisition opportunities.

On May 13, 1994, the Board of Directors of Noble held a telephonic meeting to review the financial analyses which had been developed by Simmons. After thorough review of all the acquisition opportunities, the Board instructed Mr. Day to contact Mr. Bearden and express Noble's interest in proceeding with discussions with Chiles regarding a possible acquisition. Mr. Day forwarded a letter to Mr. Bearden to indicate formally Noble's interest in commencing discussions with Chiles regarding a merger of the two companies.

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On May 16, 1994, Mr. Day met with Mr. Bearden, Mr. Wyman and John Slayton, a member of the Chiles Board, to discuss further various issues concerning a potential business combination of Noble and Chiles. The Chiles Board met later on May 16, 1994, together with representatives of Salomon, to discuss the indications of interest from Noble and Marine, as well as Chiles' other alternatives for achieving its strategic goals. On May 17, 1994, Mr. Day met with Marc Leland and Charles Dallara, two members of the Chiles Board. Discussions generally centered on the potential synergies that could result from the combination of the companies and the anticipated enhancement of stockholder value. The Chiles Board met later on May 17, 1994 to discuss the proposed transactions, and directed management to continue discussions with Noble regarding a possible transaction. At this meeting Mr. Leland was elected Chairman of the Board of Chiles replacing Mr. Wyman.

Mr. Bearden responded in writing to Noble's indication of interest on May 18, 1994, proposing certain business terms and the execution of confidentiality agreements. The letter further suggested a schedule for conducting due diligence review. Chiles and Noble entered into mutual confidentiality agreements on May 19, 1994, and commenced a period of mutual due diligence. Mr. Day and Mr. Bearden met again on May 24 and May 31, 1994, to review the progress of their due diligence efforts.

On June 1, 1994, the Chiles Board held a telephonic meeting during which Mr. Bearden and Mr. Fulton reported to the Board on the preliminary results of their due diligence regarding Noble. Mr. Bearden and Mr. Fulton recommended proceeding with discussions to resolve the basic business terms of the proposed merger, and the Board approved their continued discussions. Discussions continued between Mr. Day and Mr. Bearden on June 2 and 3, 1994.

On June 6, 1994, Mr. Day met with Mr. Leland in Washington D.C. to discuss various business issues relating to the proposed merger.

On June 9, 1994, a meeting of the Board of Directors of Noble was held in Houston, Texas to review the results of the due diligence process. At that time an internal analysis developed by Noble management was presented to the Board for discussion. Representatives of Simmons presented information relative to Simmons' analysis of Chiles. Simmons gave the Noble Board its oral opinion that the consideration proposed to be paid by Noble to the stockholders of Chiles was fair, as of such date, from a financial point of view to the stockholders of Noble. After deliberation and discussion, the Board voted unanimously to (i) approve the Merger and the proposed form of merger agreement, and (ii) approve exchange ratios of 0.75 of a share of Noble Common Stock for each share of Chiles Common Stock and one share of $1.50 Noble Preferred Stock for each share of Chiles Preferred Stock. The Board directed Noble management to proceed with negotiating and resolving the remaining open business issues and finalizing a definitive merger agreement. Mr. Day

contacted Mr. Bearden, informed him of the decision by the Noble Board of Directors and provided him additional information regarding certain business terms.

The Chiles Board met by telephone on Friday, June 10, 1994 to review the discussions with Noble during the preceding week and the status of open business issues regarding the transaction. Mr. Bearden and Mr. Fulton advised the Board of the results of the Noble Board meeting the previous day as well as the status of due diligence and negotiations. The Board authorized Mr. Bearden and Mr. Fulton to seek to finalize the remaining open issues over the weekend. Mr. Leland called Mr. Day to inform him of the Chiles Board's decision.

Negotiations continued on Saturday and Sunday, June 11 and 12, 1994, during which time representatives of Noble and Chiles resolved the remaining issues relating to the proposed merger. On Sunday afternoon, June 12, 1994, the Chiles Board met again by telephone. Salomon made a presentation to the Board concerning the terms of the proposed transaction and gave the Board its oral opinion that the proposed consideration was fair, as of such date, to the Chiles stockholders from a financial point of view. The Chiles Board unanimously approved the proposed merger agreement. The Merger Agreement was executed as of June 13, 1994.

REASONS FOR THE MERGER

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Noble and Chiles. The Boards of Directors of Noble and Chiles considered certain common factors in determining that the Merger is in the best interests of the stockholders of Noble and Chiles, respectively, including the following:

- the business and financial prospects of a Noble/Chiles combination, including the size of the combined fleet, the potential operational benefits in the Gulf of Mexico and West Africa and the outlook for the respective fleets;

- the geographic diversification of a combined Noble/Chiles drilling rig fleet consisting of 44 mobile offshore units with significant operational bases in the Gulf of Mexico, West Africa and Venezuela and the prospects for expansion into other significant oil and gas regions;

- the balance sheet strength of a Noble/Chiles combination and the modest debt levels relative to the combined equity of the two companies;

- the outlook for the offshore drilling industry internationally and in the Gulf of Mexico and other economic and market conditions, including oil and natural gas prices;

- the structure of the Merger, the terms of the Merger Agreement and the exchange ratios, which were the result of arms'-length negotiations between Noble and Chiles;

- the financial analyses and opinions of their financial advisors; and

- the expectation that the Merger would be a non-taxable transaction for U.S. federal income tax purposes.

In addition, the Boards of Directors of Noble and Chiles considered certain other factors discussed below.

Noble. The Board of Directors of Noble has determined that the consummation of the Merger is in the best interests of Noble and its stockholders. The Noble Board believes that the combination is a continuation of Noble's objective of expansion of its offshore drilling rig fleet and should help consolidate the highly-fragmented offshore drilling industry. Following the Merger, the addition of Chiles' 13 jackup drilling rigs will increase the size of Noble's fleet to a total of 44 mobile offshore units, including 32 jackup drilling rigs. The Merger will also enhance Noble's balance sheet and provide Noble with increased flexibility and liquidity, thereby improving Noble's ability to expand its international operations and to better manage both stronger and weaker offshore drilling markets. The Noble Board believes that the expansion of Noble's offshore drilling fleet, the enhancement of Noble's balance sheet and the possible positive impact on Noble's earnings that could result from any consolidation savings realized in the Merger will enhance Noble's long-term growth

potential. As a result, the Noble Board believes that the Merger should, over time, be significantly positive for Noble and its stockholders.

Chiles. The Board of Directors of Chiles believes that the terms of the Merger are fair to and in the best interests of Chiles and its stockholders and has unanimously approved the Merger Agreement and recommends approval and adoption of the Merger Agreement by the holders of Chiles Common Stock.

In reaching its conclusion, the Chiles Board considered the common factors set forth above and the following additional factors:

- the fact that the exchange ratio for the Chiles Common Stock represented a premium over the market prices for Chiles Common Stock during the recent period prior to execution of the Merger Agreement;

- the fact that shares of Chiles Preferred Stock would be converted into shares of $1.50 Noble Preferred Stock having substantially the same rights, privileges, preferences and voting power as the Chiles Preferred Stock;

- Noble's commitment to providing integrated drilling services to its customers, including turnkey drilling services, as represented by Noble's recent acquisition of Triton; and

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- the proposed composition of the Board of Directors of Noble after the Merger, which would include two members designated by Chiles.

In determining that the Merger was fair to and in the best interests of Chiles and its stockholders, the Board considered these factors, together with the common factors described above, collectively and did not assign specific or relative weights to any of such factors.

The Board of Directors of Chiles determined that a merger with Noble was the best option for achieving the strategic goals of Chiles. The size of the combined fleet enhances the prospects for the combined company to have multiple rig operations in new drilling markets not presently served by either company. In addition, the combination has the immediate advantage of linking Chiles' fleet to significant operations in Venezuela and increasing the base of its operations in West Africa. The Board believes that contractors with multiple rigs in a given region will be in a superior competitive position because of the fixed costs associated with establishing a base of operations and the mobilization costs associated with moving rigs between markets. Accordingly, the Board believes that the size and geographic diversity of the combined fleet will permit the combined companies to compete more effectively for drilling contracts around the world and to achieve higher dayrates and utilization for its rigs. In addition, the Board believes that Noble's recent acquisition of Triton and its well established North Sea platform management operations demonstrate Noble's commitment to providing integrated drilling services to its clients. As a result, the Chiles Board believes that the Merger represents an opportunity for Chiles' stockholders to participate in a combined enterprise with significantly greater operational resources and, accordingly, long-term growth potential than Chiles would have as a stand alone company or on the basis of the other transactions considered by the Chiles Board.

OPINIONS OF FINANCIAL ADVISORS

Noble. Noble retained Simmons to act as its financial advisor and to render a fairness opinion in connection with the Merger. Simmons rendered its oral opinion to the Board of Directors of Noble at a meeting on June 9, 1994 that, as of such date, the consideration to be paid by Noble in the Merger was fair from a financial point of view to the holders of Noble Common Stock and $2.25 Noble Preferred Stock. Subsequently, Simmons confirmed this opinion in writing as of June 13, 1994. The exchange ratios and the other terms of the Merger Agreement were determined pursuant to arms'-length negotiations between Noble and Chiles.

The full text of Simmons' fairness opinion, dated June 13, 1994, which sets forth the assumptions made, general procedures followed, matters considered and limits on the review undertaken, is attached to this Joint Proxy Statement/Prospectus as Appendix II and is incorporated herein by reference. Simmons' opinion is directed only to the fairness, from a financial point of view, to the holders of Noble Common Stock and $2.25

Noble Preferred Stock of the consideration to be paid by Noble in the Merger and does not constitute a recommendation to any holder of Noble Common Stock as to how such stockholder should vote on the Merger Proposal. The summary of Simmons' opinion set forth below is qualified in its entirety by reference to the full text of such opinion attached as Appendix II. STOCKHOLDERS OF NOBLE ARE URGED TO READ THE OPINION OF SIMMONS IN ITS ENTIRETY.

In connection with rendering its opinion, Simmons reviewed, analyzed and relied upon, among other things, the following: (i) the Merger Agreement; (ii) certain publicly available informational and financial reports of Noble and Chiles filed with the Commission, including Annual Reports on Form 10-K for each of the years in the three-year period ended December 31, 1993, Quarterly Reports on Form 10-Q for the quarter ended March 31, 1994, recent current reports on Form 8-K and recent prospectuses; (iii) certain near-term forecasts and other internal information, primarily financial in nature, concerning the business and operations of Noble, including recent acquisitions, furnished by Noble for the purpose of Simmons' analysis; (iv) certain near-term forecasts and other internal information, primarily financial in nature, concerning the business and operations of Chiles furnished by Chiles for the purpose of Simmons' analysis; (v) certain publicly available information concerning the price and trading activity for Noble Common Stock, $2.25 Noble Preferred Stock, Chiles Common Stock and Chiles Preferred Stock; (vi) certain publicly available information with respect to certain other companies that Simmons considers to be comparable

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to Noble or Chiles ("Comparable Companies") and the trading markets for the Comparable Companies' securities; (vii) certain publicly available estimates of the future operating and financial performance of Noble, Chiles and the Comparable Companies prepared by industry experts unaffiliated with either Noble or Chiles ("Analysts' Estimates"); and (viii) certain publicly available information regarding the nature and terms of certain other transactions that Simmons considered relevant to its inquiry. In addition, Simmons discussed the foregoing and other matters Simmons deemed relevant to its inquiry with certain officers and employees of Noble and Chiles.

In performing its analysis and arriving at its opinion, Simmons assumed and relied upon the accuracy and completeness of all of the financial and other information provided by Noble and Chiles or publicly available, including without limitation, information with respect to asset conditions, tax positions, liability reserves and insurance coverages. Simmons did not independently verify any of such information. Simmons did not conduct a physical inspection of any of the properties, equipment or facilities of Noble or Chiles, nor did it make or obtain any independent valuations or appraisals of such properties, equipment or facilities, other than Analysts' Estimates. Furthermore, Simmons assumed that the new series of $1.50 Noble Preferred Stock would have substantially the same rights, privileges, preferences and voting power as the Chiles Preferred Stock and that the Merger would be treated as a "pooling of interests" in accordance with generally accepted accounting principles.

In conducting its analysis and arriving at its opinion, Simmons considered such financial and other factors that it deemed appropriate under the circumstances including, among others, the following: (i) the historical and current financial position and operating results of Noble and Chiles; (ii) the business prospects of Noble and Chiles; (iii) the financial performance and historical and current market for the equity securities of Noble, Chiles and Comparable Companies; (iv) the relative value of the assets of Noble and Chiles, based upon Analysts' Estimates and each company's balance sheet; and (v) the nature and terms of certain other transactions that Simmons considered relevant. Simmons' analyses reflected recent acquisitions and current capitalization structures of Noble and Chiles. Simmons also took into account its assessment of general economic, market and financial conditions, and its experience in connection with similar transactions and securities valuation generally. Simmons' opinion necessarily was based upon conditions as they existed and could be evaluated on, and on the information made available at, the date of such opinion.

In connection with its presentation to the Noble Board on June 9, 1994, Simmons advised the Noble Board that in evaluating the consideration to be paid in the Merger by Noble, Simmons performed a variety of financial and comparative analyses with respect to Noble and Chiles, including those described below:

Exchange Ratio Profile. Simmons performed an analysis of the ratio of the market price of Chiles Common Stock to the market price of Noble Common Stock during the period from the first of January 1991 through the end of May 1994. Simmons calculated the ratio of the Chiles Common Stock closing price for the

last trading day of each week during that period to the Noble Common Stock closing price for such day. This analysis implied an exchange ratio ranging from a high of 1.43 shares of Noble Common Stock for each share of Chiles Common Stock to a low of 0.21 shares of Noble Common Stock for each share of Chiles Common Stock, with an average during the period of 0.69 shares of Noble Common Stock for each share of Chiles Common Stock. Simmons also calculated the ratio of the Chiles Common Stock closing price on May 27, 1994 ($4.9375 per share) to the Noble Common Stock closing price on such day ($7.25 per share). This implied an exchange ratio of 0.68 shares of Noble Common Stock for each share of Chiles Common Stock.

Premium Analysis. Simmons calculated the premium to holders of Chiles Common Stock of the "Implied Consideration" (obtained by multiplying the closing stock price for Noble Common Stock on May 27, 1994 by the exchange ratio of 0.75) to the closing stock prices for Chiles Common Stock on such date and on the dates one month, three months and 12 months prior thereto as well as to the weekly average closing price for Chiles Common Stock during the latest 12 months and to each of the 52-week high and low closing prices for Chiles Common Stock. Based on the closing stock price for Noble Common Stock of $7.25 on May 27, 1994, Simmons calculated premiums to holders of Chiles Common Stock equal to 10.1 percent of the closing stock price for Chiles Common Stock of $4.9375 on

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May 27, 1994; 24.3 percent of the closing stock price for Chiles Common Stock of $4.375 one month earlier; 1.2 percent of the closing stock price for Chiles Common Stock of $5.375 three months earlier; 27.9 percent of the closing stock price for Chiles Common Stock of $4.25 12 months earlier; 2.9 percent of the weekly average closing price for Chiles Common Stock during the latest 12 months of $5.28; and a negative 23.7 percent and a positive 50.0 percent of the 52-week high and low closing prices for Chiles Common Stock of $7.125 and $3.625, respectively.

Simmons also analyzed average acquisition premiums for acquisitions of certain comparable public companies in the years 1987 through 1994. The average premium to last closing price prior to announcement of such transactions for the transactions occurring during any year ranged from a low of 24.0 percent to a high of 41.6 percent, with the weighted average being 31.5 percent as compared with the premium for the merger of 10.1 percent, based on a closing price of $4.9375 per share for Chiles Common Stock and $7.25 per share for Noble Common Stock on May 27, 1994.

Relative Contribution Analysis. Simmons analyzed the relative contributions of Noble and Chiles to, among other things, the combined pro forma historical and projected revenues, earnings before depreciation and amortization, interest and taxes ("EBDIT"), net income, total assets and shareholders' equity of the two companies. The analysis assumes a full period of financial results for recent acquisitions, completion of the Merger and, in some cases, a certain level of combination savings. Based on results for the trailing 12 months ended March 31, 1994 ("TTM"), Simmons calculated contributions by Chiles of approximately 18 percent of combined revenues, 28 percent of combined EBDIT, 39 percent of combined net income, 26 percent of total assets, 35 percent of shareholders' equity and 21 percent of "Adjusted Total Book Capitalization" (the total book capitalization less cash balances in excess of five percent of operating revenues). Based on the mean of Analysts' Estimates, Simmons calculated contributions by Chiles of approximately 37 percent of projected fiscal 1994 net income and 30 percent of projected fiscal 1995 net income.

Based on the Implied Consideration, Simmons calculated contributions by Chiles of approximately 37 percent of the market value of common equity, 39 percent of the market value of common and preferred equity, 33 percent of the total market capitalization and 29 percent of the "Adjusted Total Market Capitalization" (the total market capitalization less cash balances in excess of five percent of operating revenues).

Valuation Multiple Analysis. Simmons calculated multiples of the $4.9375 closing price per share of Chiles Common Stock and the Implied Consideration to Chiles' 1993, TTM and estimated 1994 earnings per share (based on both developed assumptions and Analysts' Estimates). Simmons also calculated multiples of Chiles' Adjusted Total Market Capitalization, using the $4.9375 closing price and the Implied Consideration, to Adjusted Total Book Capitalization and 1993, TTM and estimated 1994 revenues and EBDIT.

These calculations resulted in multiples of the $4.9375 closing price and the Implied Consideration, respectively, to 1993 earnings per share of 39.5x and 43.5x, respectively, and to estimated 1994 earnings per share (based on the mean of Analysts' Estimates) of 17.6x and 19.4x, respectively. Calculated multiples of

Chiles' Adjusted Total Market Capitalization, using the $4.9375 closing price and the Implied Consideration, to 1993 revenues are 3.0x and 3.4x, respectively; to 1993 EBDIT are 10.9x and 12.3x, respectively; and to Adjusted Total Book Capitalization are 1.8x and 2.1x, respectively.

The same multiples were also calculated for Noble at the $7.25 closing price and for the combined company of Noble and Chiles assuming the $7.25 closing price for Noble, the Implied Consideration for Chiles and, in some cases, a certain level of combination savings. These calculations resulted in multiples of Noble and the combined company, respectively, to 1993 earnings per share of 31.5x and 31.2x, respectively, and to estimated 1994 earnings per share (based on the mean of Analysts' Estimates) of 18.1x and 17.6x, respectively. Calculated multiples of Noble and the combined company's Adjusted Total Market Capitalization, using the $7.25 closing price for Noble and the Implied Consideration, to 1993 revenues are 1.7x and 2.0x, respectively; to 1993 EBDIT are 9.2x and 9.7x, respectively; and to Adjusted Total Book Capitalization are 1.3x and 1.5x, respectively.

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Analysis of Selected Publicly-Traded Comparable Companies. Simmons reviewed certain publicly available financial, operating and stock market information as of May 27, 1994 for Noble, Chiles and the "Comparable Companies" (certain other publicly-traded offshore drilling companies which Simmons considers to be comparable to Noble or Chiles). For Noble, Chiles and the Comparable Companies, Simmons calculated, among other things, multiples of market stock price to TTM earnings per share and to estimated 1994 and 1995 earnings per share (derived from Analysts' Estimates) and multiples of Adjusted Total Market Capitalization to TTM revenues, to TTM EBDIT and to Adjusted Total Book Capitalization.

An analysis of the multiples of market stock price to TTM earnings per share, to estimated 1994 earnings per share and to estimated 1995 earnings per share yielded 20.6x, 17.6x and 10.1x, respectively, for Chiles (22.7x, 19.4x and 11.1x, respectively, at the Implied Consideration), 24.1x, 18.1x and 10.5x for Noble, and means of 20.5x, 20.2x and 17.3x for the Comparable Companies. An analysis of the multiples of Adjusted Total Market Capitalization to TTM revenues yielded 2.7x for Chiles (3.1x at the Implied Consideration), 1.7x for Noble and a mean of 2.6x for the Comparable Companies. An analysis of the multiples of Adjusted Total Market Capitalization to TTM EBDIT yielded 8.8x for Chiles (10.0x at the Implied Consideration), 8.9x for Noble and a mean of 10.9x for the Comparable Companies. An analysis of the multiples of Adjusted Total Market Capitalization to Adjusted Total Book Capitalization yielded 1.8x for Chiles (2.1x at the Implied Consideration), 1.3x for Noble and a mean of 1.6x for the Comparable Companies.

Analysis of Selected Comparable Transactions. Simmons reviewed several transactions involving the acquisition of oil service companies. Simmons calculated multiples of acquisition price, or transaction value, to the EBDIT generated in the 12 months prior to acquisition, and to the Adjusted Total Book Capitalization of such companies. These calculations yielded a range of acquisition price to EBDIT of 6.8x to 17.3x, with a mean excluding the high and the low value of 8.9x, and a range of acquisition price to Adjusted Total Book Capitalization of 0.8x to 2.8x, with a mean excluding the high and low value of 1.9x. The average transaction EBDIT multiple of 8.9x (excluding the high and low value) compares to an 8.8x TTM EBDIT multiple for Chiles (10.0x at the Implied Consideration) and an 8.9x multiple for Noble. The average transaction Adjusted Total Book Capitalization multiple of 1.9x (excluding the high and low value) compares to a 1.8x multiple for Chiles (2.1x at the Implied Consideration) and a 1.3x multiple for Noble.

In addition to reviewing company acquisitions, Simmons analyzed recent purchases of a similar class of jackups as owned by Noble and Chiles. Simmons calculated the purchase price paid per jackup in each transaction. These calculations yielded an average price per jackup of $16.7 million. The consideration paid in the majority of the transactions reviewed was in the form of cash. Assuming the Implied Consideration and after making working capital adjustments, the effective average price per jackup that Noble is paying for the Chiles rigs is approximately three percent higher than the average transaction price, with the consideration paid in stock.

Discounted Cash Flow Analysis. Simmons performed various discounted cash flow valuations of Noble and Chiles. Net present values were based on projected future free cash flows of the companies for five years and a terminal value calculated assuming the perpetuity method and an inflationary growth rate after the five-year period of three percent per year. Recently acquired Triton was excluded from the cash flows analyses and

its purchase price was added to Noble's value. The sums of future cash flows in perpetuity were then discounted to present values by examining discount rates ranging from 11 percent to 15 percent and by applying discount rates ranging from 12 percent to 14 percent. Based on these calculations, Simmons then derived ranges of present values per share for Noble Common Stock and Chiles Common Stock.

The purpose of the analysis was to determine the value of each entity, both on a stand-alone basis and relative to the other. Combination savings were not incorporated into the analysis. Due to the many variables, the discounted cash flow analysis yielded a fairly wide range of results. For Chiles, the $4.9375 closing price and the Implied Consideration are within or below the share price ranges implied by the cases. For Noble, the $7.25 closing price is also within or below the share price ranges implied by the cases.

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The foregoing summary does not purport to be a complete description of the analyses performed by Simmons or of its presentations to the Noble Board. The preparation of financial analyses and fairness opinions is a complex process and is not necessarily susceptible to partial analysis or summary description. Simmons believes that its analyses (and the summary set forth above) must be considered as a whole, and that selecting portions of such analyses and of the factors considered by Simmons, without considering all of such analyses and factors, could create an incomplete view of the processes underlying the analyses conducted by Simmons and its opinion. Simmons made no attempt to assign specific weights to particular analyses. Any estimates contained in Simmons' analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth therein. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which companies may actually be sold. Because such estimates are inherently subject to uncertainty, Simmons does not assume responsibility for their accuracy.

Simmons is a specialized energy-related investment banking firm engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, the management and underwriting of sales of equity and debt to the public and private placements of equity and debt. Noble selected Simmons to act as its financial advisor in connection with the Merger on the basis of Simmons' expertise in the oil and gas service and equipment industry.

Pursuant to an engagement letter with Simmons, Noble has agreed to pay Simmons a transaction fee, payable on the consummation of the Merger, of $1,350,000. Noble has also agreed to reimburse Simmons for certain expenses incurred in connection with its engagement and to indemnify Simmons and certain related persons against certain liabilities and expenses relating to or arising out of its engagement, including certain liabilities under the federal securities laws.

Simmons has in the past rendered investment banking services to Noble, including acting as advisor in connection with certain acquisitions and as an underwriter of Noble's 1993 public offerings of Noble Common Stock and 9 1/4% Senior Notes Due 2003, and has received customary compensation for such services. In addition, in the ordinary course of business, Simmons may actively trade the securities of Noble and Chiles for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Chiles. Chiles retained Salomon to act as financial advisor and render a fairness opinion in connection with the Merger. Salomon rendered an oral opinion to the Chiles Board of Directors on June 12, 1994, that the consideration to be received by the holders of Chiles Common Stock and Chiles Preferred Stock pursuant to the Merger Agreement was fair to such holders from a financial point of view.

The full text of Salomon's fairness opinion, dated June 13, 1994, which sets forth the assumptions made, general procedures followed, matters considered and limits on the review undertaken, is attached as Appendix III to this Joint Proxy Statement/Prospectus. Salomon's opinion is directed only to the fairness, from a financial point of view, to the holders of Chiles Common Stock and Chiles Preferred Stock to be received by such holders in the Merger, and does not constitute a recommendation to any holder of the Chiles Common Stock as to how such stockholder should vote on the Merger Agreement. The summary of Salomon's opinion set forth below is qualified in its entirety by reference to the full text of such opinion attached as Appendix III hereto. STOCKHOLDERS ARE URGED TO READ SALOMON'S OPINION IN ITS ENTIRETY.

In connection with rendering its opinion, Salomon reviewed, analyzed and relied upon material relating to the financial and operating condition of Chiles and Noble, including, among other things, the following: (i) the Merger Agreement; (ii) certain publicly available information concerning Chiles, including the Annual Reports on Form 10-K of Chiles for each of the three years in the three year period ended December 31, 1993 and the Quarterly Report on Form 10-Q of Chiles for the quarter ended March 31, 1994; (iii) certain internal information, primarily historical financial in nature, concerning the business and operations of Chiles furnished by Chiles to Salomon for the purposes of its analysis; (iv) certain publicly available information concerning the trading of,

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and the trading market for, Chiles Common Stock; (v) certain publicly available information concerning Noble, including the Annual Reports on Form 10-K of Noble for each of the three years in the three year period ended December 31, 1993 and the Quarterly Report on Form 10-Q of Noble for the quarter ended March 31, 1994; (vi) certain internal information, primarily historical financial in nature, concerning the business and operations of Noble furnished by Noble to Salomon for the purposes of its analysis; (vii) certain publicly available information concerning the trading of, and the trading market for, Noble Common Stock; (viii) certain publicly available information with respect to certain other companies that Salomon believes to be comparable to Chiles or Noble and the trading markets for certain of such other companies' securities; and (ix) certain publicly available information concerning the nature and terms of certain other transactions that Salomon considered relevant to its inquiry. Salomon also met with certain officers and employees of Chiles and Noble to discuss the foregoing as well as other matters Salomon deemed relevant to its inquiries.

In its review and analysis and in arriving at its opinion, Salomon assumed and relied upon the accuracy and completeness of all of the financial and other information provided to it or publicly available, and did not attempt independently to verify any of such information. Salomon did not conduct a physical inspection of any of the properties or facilities of Chiles or Noble, nor did it make or obtain any independent appraisals of any of such properties or facilities. Salomon assumed that the $1.50 Noble Preferred Stock will have substantially identical rights, privileges, preferences and voting power as those of the Chiles Preferred Stock, that the Merger will not be taxable for the holders of Chiles Common Stock and Chiles Preferred Stock and that the Merger will be accounted for as a "pooling of interests."

In conducting its analysis and arriving at its opinion, Salomon considered such financial and other factors as it deemed appropriate under the circumstances including, among others, the following: (i) the historical and current financial position and results of operations of Chiles and Noble; (ii) the business prospects of Chiles and Noble; (iii) the historical and current trading market for Chiles Common Stock, for Noble Common Stock and for the equity securities of certain other companies that Salomon believed to be comparable to Chiles and Noble; and (iv) the nature and terms of certain other acquisition transactions that Salomon believed to be relevant. Salomon also took into account its assessment of general economic, market and financial conditions and its experience in connection with similar transactions and securities valuation generally. Salomon's opinion necessarily was based on conditions as they existed and could be evaluated on the date of its opinion.

In connection with its presentation to the Board of Directors of Chiles on June 12, 1994, Salomon advised the Board that, in evaluating the consideration to be received in the Merger by the holders of Chiles Common Stock and Chiles Preferred Stock, Salomon performed a variety of financial analyses with respect to Chiles and Noble.

Exchange Ratio Profile. Salomon performed an analysis of the historical ratio of the market price of Chiles Common Stock to the market price of Noble Common Stock during the period from January 1, 1993 through June 9, 1994. Salomon calculated the ratio of the Chiles Common Stock closing price for each trading day during that period to the Noble Common Stock closing price for such day. This analysis implied an exchange ratio ranging from a low of 0.28 of a share of Noble Common Stock to each share of Chiles Common Stock to a high of 0.81 of a share of Noble Common Stock to each share of Chiles Common Stock, with an average during the period of 0.59 of a share of Noble Common Stock to each share of Chiles Common Stock. Salomon performed the same analysis for the period from June 10, 1993 through June 9, 1994, which implied an exchange ratio ranging from a low of 0.48 of a share of Noble Common Stock to each share of Chiles Common Stock to a high of 0.81 of a share of Noble Common Stock to each share of Chiles Common

Stock, with an average during the period of 0.64 of a share of Noble Common Stock to each share of Chiles Common Stock; for the period from January 1, 1994 through June 9, 1994, which implied an exchange ratio ranging from a low of 0.50 of a share of Noble Common Stock to each share of Chiles Common Stock to a high of 0.81 of a share of Noble Common Stock to each share of Chiles Common Stock, with an average during the period of 0.65 of a share of Noble Common Stock to each share of Chiles Common Stock; and for the period from May 10, 1994 through June 9, 1994, which implied an exchange ratio ranging from a low of 0.59 of a

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share of Noble Common Stock to each share of Chiles Common Stock to a high of 0.74 of a share of Noble Common Stock to each share of Chiles Common Stock, with an average during the period of 0.67 of a share of Noble Common Stock to each share of Chiles Common Stock. Salomon also calculated the ratio of the Chiles Common Stock price on June 9, 1994 ($5.00 per share) to the Noble Common Stock price on such day ($7.125 per share). This implied an exchange ratio of 0.70 of a share of Noble Common Stock to each share of Chiles Common Stock.

Premium Analysis. Salomon calculated the premium to holders of Chiles Common Stock of the "Implied Consideration" (represented by multiplying the closing stock price for Noble Common Stock on June 9, 1994 by the Exchange Ratio of 0.75) to the closing stock prices for Chiles Common Stock on such date and on the date one month prior thereto, as well as to the average closing stock price for Chiles Common Stock during the one month period ending on June 9, 1994 and to each of the 52 week high and low closing prices for Chiles Common Stock. Based upon the closing stock price for Noble Common Stock of $7.125 on June 9, 1994, Salomon calculated premiums to holders of Chiles Common Stock equal to seven percent of the closing stock price for Chiles Common Stock of $5.00 on June 9, 1994; 26 percent of the closing stock price for Chiles Common Stock of $4.25 one month earlier, 14 percent of the average closing stock price for Chiles Common Stock for the one-month period ending on June 9, 1994; and (25 percent) and 47 percent of the 52 week high and low closing prices, respectively, for Chiles Common Stock.

Salomon also calculated multiples of Chiles' "Implied Firm Value" (defined as the aggregate offer price for the common equity, calculated using the Implied Consideration, plus liquidation value of Chiles Preferred Stock and book values of total debt and minority interest, less cash and cash equivalents) to its latest 12 months ("LTM") revenues, its LTM earnings before interest, taxes, depreciation and amortization ("EBITDA") and its latest quarter annualized EBITDA; and of the Implied Consideration to estimated Chiles earnings per share and cash flow per share for calendar years 1994 and 1995 (based on the median of published estimates reported by oil service industry research analysts). The results of these calculations were as follows: Implied Firm Value to LTM Revenues of 3.0x, to LTM EBITDA of 9.4x and to latest quarter annualized EBITDA of 9.7x, and Implied Consideration to estimated 1994 earnings per share of 21.4x, to estimated 1995 earnings per share of 10.7x, to estimated 1994 cash flow per share of 10.7x, and to estimated 1995 cash flow per share of 7.1x.

Financial Performance Analysis. Salomon analyzed the relative contributions of Chiles and Noble to, among other financial measures, the combined revenues, EBITDA, net income and cash flow of the two companies based on 1993 results; the total assets, total debt and stockholders' equity as of March 31, 1994 of the two companies; and the estimated 1994 and 1995 net income and cash flow (based on the median of published estimates reported by oil service industry research analysts) of the two companies, assuming completion of the Merger (without giving effect to any transaction adjustments). Salomon calculated contributions by Chiles of approximately 17 percent of combined 1993 revenues; 23 percent of combined 1993 EBITDA; 30 percent of combined 1993 net income; 24 percent of combined 1993 cash flow; 27 percent of combined total assets; 0 percent of combined total debt; 37 percent of combined stockholders' equity; 39 percent of combined estimated 1994 net income; 38 percent of combined estimated 1995 net income; 31 percent of combined estimated 1994 cash flow; and 32 percent of combined estimated 1995 cash flow. Salomon also calculated the percentage (using the Exchange Ratio of 0.75 and assuming completion of the Merger) of the combined companies' equity that would be held by former Chiles stockholders assuming no conversion of the $2.25 Noble Preferred Stock into Noble Common Stock, assuming full conversion of the $2.25 Noble Preferred Stock into Noble Common Stock and assuming full conversion of both the $2.25 Noble Preferred Stock and the Chiles Preferred Stock into Noble Common Stock at 37 percent, 31 percent and 37 percent, respectively, and compared such percentages with the foregoing contribution percentages.

Analysis of Selected Publicly-Traded Comparable Companies. Salomon reviewed certain publicly available financial, operating and stock market information as of June 9, 1994 for Chiles and Noble, and for certain selected publicly traded offshore drilling companies ("Comparable Companies"). For each of Chiles and Noble and each of the Comparable Companies, Salomon calculated, among other things, multiples of "Firm Value" (defined as the aggregate market value of the common equity, plus liquidation value of preferred stock and book values of total debt and minority interest, less cash and cash equivalents) to LTM EBITDA and to latest quarter annualized EBITDA, and multiples of market price to

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estimated 1994 and 1995 earnings per share and cash flow per share (based on the median of published estimates reported by oil service industry research analysts). An analysis of the multiples of Firm Value to LTM EBITDA yielded 8.9x for Chiles (9.4x at the Implied Consideration) and 8.7x for Noble, with a median for the Comparable Companies of 9.5x. An analysis of the multiples of Firm Value to latest quarter annualized EBITDA yielded 9.1x for Chiles (9.7x at the Implied Consideration) and 9.6x for Noble, with a median for the Comparable Companies of 9.3x. An analysis of the multiples of market price to estimated 1994 earnings per share yielded 20.0x for Chiles (21.4x at the Implied Consideration) and 19.3x for Noble, with a median for the Comparable Companies of 27.5x. An analysis of the multiples of market price to estimated 1995 earnings per share yielded 10.0x for Chiles (10.7x at the Implied Consideration) and 11.5x for Noble, with a median for the Comparable Companies of 17.0x. An analysis of the multiples of market price to estimated 1994 cash flow per share yielded 10.0x for Chiles (10.7x at the Implied Consideration) and 8.2x for Noble, with a median for the Comparable Companies of 9.7x. An analysis of the multiples of market price to estimated 1995 cash flow per share yielded 6.7x for Chiles (7.1x at the Implied Consideration) and 6.4x for Noble, with a median for the Comparable Companies of 7.4x.

Analysis of Selected Comparable Acquisition Transactions. Salomon also reviewed twenty-two transactions involving the acquisition or proposed acquisition of all or part of certain oil field service companies. Salomon calculated the multiples of Firm Value to EBITDA and revenues.

The calculations yielded a range of Firm Value to LTM EBITDA of 4.1x to 15.0x with a median of 8.6x, and a range of Firm Value to LTM revenues of 0.6x to 3.1x with a median of 1.5x. Salomon then compared the results of these calculations to multiples calculated using the Implied Firm Value; 9.4x Implied Firm Value to Chiles' LTM EBITDA and 3.0x Implied Firm Value to Chiles' LTM revenues.

Discounted Cash Flow Analyses. Salomon performed discounted cash flow analyses of Chiles and Noble, based on projections of future performance developed by Salomon, employing two methodologies: the first based on free cash flow to the entire firm and an estimated terminal value derived as a multiple of EBITDA ("Firm Value Approach"); the second based on free cash flow to equity and an estimated terminal value derived as a multiple of net income ("Equity Value Approach").

The Firm Value Approach applied terminal value multiples ranging from 3.5x to 5.5x EBITDA. The sums of future cash flows to the firm and the range of such related terminal value multiples were then discounted to present value by applying discount rates ranging from 12 percent to 14 percent. Based on these calculations, Salomon then derived present values per share ranging from $4.69 to $6.46 for Chiles Common Stock and $5.79 to $8.78 for Noble Common Stock.

The Equity Value Approach applied terminal value multiples ranging from 6.0x to 10.0x net income. The sums of future cash flows to equity and the range of such related terminal values were then discounted to present values by applying discount rates ranging from 13 percent to 15 percent. Based on these calculations, Salomon then derived present values per share ranging from $4.55 to $6.61 for Chiles Common Stock, and ranging from $6.81 to $9.78 for Noble Common Stock.

The foregoing summary does not purport to be a complete description of the analyses performed by Salomon or of its presentations to the Chiles Board. The preparation of financial analyses and fairness opinions is a complex process and is not necessarily susceptible to partial analysis or summary description. Salomon believes that its analyses (and the summary set forth above) must be considered as a whole and that selection of sections of such analyses and of the factors considered by Salomon, without considering all of such analyses and factors, could create an incomplete view of the processes underlying the analyses conducted by Salomon and its opinion. Salomon made no attempt to assign specific weights to particular analyses. Any estimates

contained in Salomon's analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth therein. Estimates of values of companies do not purport to be appraisals or necessarily to reflect the prices at which companies may actually be sold. Because such estimates are inherently subject to uncertainty, Salomon does not assume responsibility for their accuracy.

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Salomon is an internationally recognized investment banking firm engaged, among other things, in the valuation of businesses and their securities in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Salomon has previously rendered certain investment banking and financial advisory services to Chiles and to Noble, including as lead manager for the public offerings of Chiles Common Stock in November 1992 and Chiles Preferred Stock in October 1993 and as lead manager for the public offerings of Noble Common Stock and Noble's 9 1/4% Senior Notes Due 2003 in October 1993, in each case for which it received customary compensation. In addition, in the ordinary course of its business, Salomon may actively trade the securities of Chiles and Noble for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Pursuant to an engagement letter with Salomon, Chiles has agreed to pay Salomon a fee for its services in connection with the Merger, based on the value of the Merger (defined as the value of consideration paid to stockholders and employees of Chiles in connection with such transaction, including stock options and employee bonuses). The fee will be an amount equal to 1.2 percent of the first $100 million of the value of such transaction, and 0.75 percent of the value over $100 million. In addition, Chiles has agreed to reimburse Salomon for certain expenses incurred in connection with its engagement and to indemnify Salomon and certain related persons against certain liabilities and expenses relating to or arising out of its engagement, including certain liabilities under the Federal securities laws.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

Noble has received from its counsel, Thompson & Knight, A Professional Corporation ("Counsel"), an opinion to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), that Noble, Noble Sub and Chiles will each be a party to the reorganization within the meaning of Section 368(b) of the Code, and that Noble, Noble Sub and Chiles will not recognize any gain or loss as a result of the Merger. It is a condition to the obligation of Noble to consummate the Merger that the opinion of Counsel will not have been withdrawn or modified in any material respect. Chiles has received from its counsel, Vinson & Elkins L.L.P., an opinion to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, that Noble, Noble Sub and Chiles will each be a party to the reorganization within the meaning of Section 368(b) of the Code, and that stockholders of Chiles will not recognize any gain or loss as a result of the Merger, except to the extent they receive cash in lieu of a fractional share of Noble Common Stock. It is a condition to the obligation of Chiles to consummate the Merger that such opinion shall not have been withdrawn or modified in any material respect. The opinions of counsel to Noble and Chiles are subject to certain assumptions and are based on certain representations of Noble, Noble Sub, Chiles and affiliates of Chiles. Stockholders of Chiles should be aware that such opinions will neither be binding upon the Internal Revenue Service (the "IRS") nor will the IRS be precluded from adopting a contrary position.

Set forth below is a summary of the material federal income tax consequences which are expected to result from the Merger. For a discussion of certain federal income tax consequences regarding the $1.50 Noble Preferred Stock, see "Description of Noble Capital Stock -- Federal Income Tax Considerations Regarding $1.50 Noble Preferred Stock." Unless noted otherwise, statements of legal conclusions set forth in this section and herein under "Description of Noble Capital Stock -- Federal Income Tax Considerations Regarding $1.50 Noble Preferred Stock" constitute the opinion of Counsel.

It is impractical to comment on all aspects of federal, state, local and foreign laws that may affect the tax consequences of the transactions contemplated by the Merger Agreement as they relate to the particular

circumstances of each stockholder or potential stockholder. The federal income tax consequences to any particular stockholder may be affected by matters not discussed below. For example, certain types of holders (including foreign persons, life insurance companies, tax exempt organizations and taxpayers who

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may be subject to the alternative minimum tax) may be subject to special rules not addressed herein. Furthermore, the discussions may not be applicable with respect to shares received pursuant to the exercise of employee stock options or otherwise as compensation. Each stockholder or prospective stockholder should consult his or her own tax advisor with respect to his or her own particular circumstances.

This summary is based on the current provisions of the Code, existing and proposed regulations thereunder and current administrative rulings and court decisions, all of which are subject to changes that may or may not be retroactively applied. Many of the provisions of the Code which have been recently enacted or amended have not been interpreted by the courts or the IRS.

No ruling has been requested from the IRS with respect to any of the matters discussed herein and thus no assurance can be provided that the opinions and statements set forth herein (which do not bind the IRS or the courts) will not be challenged by the IRS or would be sustained by a court if so challenged.

THE DISCUSSION SET FORTH BELOW ADDRESSES THE MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF GENERAL APPLICATION WHICH ARE EXPECTED TO RESULT FROM THE MERGER. STOCKHOLDERS OF CHILES SHOULD CONSULT THEIR TAX ADVISORS TO DETERMINE THE TAX CONSEQUENCES OF THE MERGER AND THE ACQUISITION, HOLDING AND DISPOSITION OF THE SECURITIES OFFERED HEREBY, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS WITH RESPECT TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Merger. Based on certain factual representations by Noble and Chiles and certain factual assumptions set forth in its opinion included as an exhibit to the Registration Statement, Counsel is of the opinion that the Merger will constitute a reorganization within the meaning of Sections 368(a) of the Code, that no gain or loss will be recognized by stockholders of Chiles upon the exchange of their shares of Chiles Common Stock and Chiles Preferred Stock for shares of Noble Common Stock and $1.50 Noble Preferred Stock pursuant to the terms of the Merger Agreement (except for gain on cash received in lieu of fractional shares as discussed below) and that no gain or loss will be recognized by Chiles, Noble or Noble Sub as a result of the Merger. The aggregate basis of the shares of Noble Common Stock and $1.50 Noble Preferred Stock received by stockholders of Chiles pursuant to the Merger will be the same as the aggregate basis of the shares of Chiles Common Stock or Chiles Preferred Stock exchanged therefor (less basis attributable to fractional shares surrendered for cash), and the holding period of such Noble capital stock will include the period during which such shares of Chiles Common Stock or Chiles Preferred Stock exchanged therefor were held, provided such shares of Chiles Common Stock or Chiles Preferred Stock were held as a capital asset at the time of the Merger.

Receipt of Cash in Lieu of Fractional Shares. Chiles stockholders receiving cash in lieu of fractional shares will be treated as if such fractional shares had been received in the Merger and redeemed by Noble for cash. Unless the redemption is found to be essentially equivalent to a dividend, the stockholder will recognize gain or loss measured by the difference between the stockholder's basis in the fractional share surrendered and the amount of cash received.

Tax Consequences to Holders of the Chiles Options. If each holder of the Chiles Options consents to the exchange of such options for shares of Noble Common Stock, then such holders will recognize ordinary income equal to the fair market value of the Noble Common Stock received. If the Chiles Options are not exchanged pursuant to the Merger Agreement, Noble will assume all outstanding Chiles Options and substitute options to acquire Noble Common Stock on the same terms and conditions as the Chiles Options. The foregoing assumption and substitution of options to acquire Noble Common Stock should not cause the recognition of income, gain or loss to the option holders. See "Certain Provisions of the Merger Agreement -- Chiles Options."

ANTICIPATED ACCOUNTING TREATMENT

The Merger is expected to be accounted for as a "pooling of interests" for accounting and financial reporting purposes. Under the pooling of interests method of accounting, the recorded assets and liabilities of Noble and Chiles will be carried forward to Noble's consolidated financial statements at their recorded amounts, the consolidated earnings of Noble will include earnings of Noble and Chiles for the entire fiscal year in which the Merger occurs and the

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reported operating results and financial position of Noble and Chiles for prior periods will be combined and restated as if both the companies had been merged during all periods presented. See "Unaudited Pro Forma Combined Financial Statements" and "Certain Provisions of the Merger Agreement -- Certain Conditions to Consummation of the Merger."

Noble and Chiles have been preliminarily advised by their independent public accountant, Arthur Andersen & Co., that the Merger should qualify for treatment as a "pooling of interests" in accordance with generally accepted accounting principles based on the understanding of Arthur Andersen & Co. of the terms and conditions of the Merger Agreement. Consummation of the Merger is conditioned upon the written confirmation of such advice. See "Certain Provisions of the Merger Agreement -- Certain Conditions to Consummation of the Merger." Also, such advice contemplates that each person who may be deemed an affiliate of Chiles or Noble will enter into an agreement with Noble at or before the Effective Time not to sell or otherwise transfer any shares of Noble Common Stock prior to the date that Noble first publishes financial statements reflecting at least 30 days of combined operations of Noble and Chiles. See "-- Limitations on Resale; Registration Rights." Noble, Noble Sub and Chiles have agreed that none of them shall knowingly take any action that would jeopardize the treatment of Chiles' combination with Noble Sub as a "pooling of interests" for accounting purposes.

REGULATORY APPROVALS

Under the HSR Act, and the rules promulgated thereunder by the Federal Trade Commission (the "FTC"), the Merger may not be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the Department of Justice (the "Antitrust Division") and specified waiting period requirements have been satisfied. Noble and Chiles filed notification and report forms under the HSR Act with the FTC and the Antitrust Division on July   , 1994. The respective obligations of Noble and Chiles to consummate the Merger are conditioned upon all waiting periods (and any extensions thereof) applicable to the consummation of the Merger under the HSR Act having expired or been terminated. See "Certain Provisions of the Merger Agreement -- Certain Conditions to Consummation of the Merger."

At any time before or after consummation of the Merger, and notwithstanding that the HSR Act waiting period has expired or terminated, the FTC or the Antitrust Division or any state could take such action under the federal or state antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin the consummation of the Merger or seeking divestiture of Chiles or businesses of Noble or Chiles. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

Based on information available to them, Noble and Chiles believe that the Merger can be effected in compliance with federal and state antitrust laws. However, there can be no assurance that a challenge to the consummation of the Merger on antitrust grounds will not be made or that, if such a challenge were made, Noble and Chiles would prevail or would not be required to accept certain conditions, possibly including certain conditions to consummation of the Merger.

LIMITATIONS ON RESALES; REGISTRATION RIGHTS

Resales by Affiliates. The shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued to the stockholders of Chiles, and shares of Noble Common Stock to be issued to holders of Chiles Options upon cancellation thereof, pursuant to the Merger Agreement are being registered under the Securities Act pursuant to the Registration Statement and may generally be resold freely without further registration. However, because some of such persons are "affiliates" of Chiles (as such term is defined in Rule 144 under

the Securities Act), such persons will not be able to resell the Noble Common Stock or $1.50 Noble Preferred Stock received by them in connection with the Merger unless such shares are registered for resale under the Securities Act, are sold in compliance with an exemption from the registration requirements of the Securities Act or are sold in compliance with Rule 145 under the Securities Act (or, in the case of persons who become affiliates of Noble, Rule 144 under the Securities Act). Noble will not be required to maintain the effectiveness of the Registration Statement for the purpose of such resales.

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Pursuant to Rule 145, the sale of Noble Common Stock or $1.50 Noble Preferred Stock acquired by such persons pursuant to the Merger Agreement will be subject to certain restrictions. Such persons may sell Noble Common Stock or $1.50 Noble Preferred Stock under Rule 145 only if (i) Noble has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months, (ii) the Noble Common Stock or $1.50 Noble Preferred Stock is sold in "brokers' transactions" or in transactions directly with a "market maker," within the meanings thereof in Rule 144 under the Securities Act, and (iii) such sale and all other sales made by such person within the preceding three months do not collectively exceed the greater of (x) one percent of the then outstanding shares of Noble Common Stock or $1.50 Noble Preferred Stock, as the case may be, and (y) the average weekly trading volume of Noble Common Stock or $1.50 Noble Preferred Stock, as the case may be, in the NASDAQ National Market System during the four-week period preceding the sale.

Persons who may be deemed to be affiliates of Noble or Chiles generally include individuals or entities that control, are controlled by or are under common control with, such party and may include certain officers and directors of such party as well as principal stockholders of such party. The Merger Agreement requires Chiles to use its reasonable best efforts to cause each person whom it believes may be an affiliate of Chiles for purposes of Rule 145 to deliver to Noble at or prior to the closing of the Merger a written agreement to the effect that such person will not, among other things, offer or sell or otherwise dispose of any shares of Noble Common Stock or $1.50 Noble Preferred Stock issued to such person pursuant to the Merger in violation of the Securities Act or the rules and regulations promulgated thereunder by the Commission. See "Certain Provisions of the Merger Agreement -- Certain Conditions to Consummation of the Merger."

Registration Rights of P.A.J.W. As of the record date for the Chiles Special Meeting, P.A.J.W. owned 11,535,587 shares of Chiles Common Stock or approximately 30 percent of the outstanding shares of such stock. Based on the capitalization of Noble and Chiles as of such record date, upon consummation of the Merger, P.A.J.W. will own approximately 11.1 percent of the then outstanding shares of Noble Common Stock. The Merger Agreement provides that Noble and P.A.J.W., of which Marc E. Leland, John Slayton and Lawrence Chazen are affiliates, will enter into a Registration Rights Agreement pursuant to which P.A.J.W. will be entitled to require Noble to register for sale under the Securities Act the shares of Noble Common Stock received by P.A.J.W. in connection with the Merger. In addition, P.A.J.W. will have certain rights to include such shares in any registration effected by Noble with respect to the Noble Common Stock. The Registration Rights Agreement will have a five-year term, and, subject to certain limitations, will entitle P.A.J.W. to two "demand" registrations and unlimited "piggyback" registrations as described above. Generally, the Registration Rights Agreement will provide that expenses incurred in connection with a "demand" registration will be borne by P.A.J.W., and expenses incurred in connection with a "piggyback" registration, other than underwriting discounts or commissions applicable to shares sold by P.A.J.W., will be borne by Noble.

LISTING IN NASDAQ NATIONAL MARKET SYSTEM

Noble Common Stock is currently listed for trading in the NASDAQ National Market System and it is anticipated that such stock will continue to be traded thereon immediately following consummation of the Merger. Noble will file a notice with the National Association of Securities Dealers, Inc. (the "NASD") with respect to the listing of additional shares of Noble Common Stock to be issued in respect of shares of Chiles Common Stock, or that may be issued in respect of the cancellation of Chiles Options, upon consummation of the Merger, as well as the shares of Noble Common Stock issuable upon conversion of the $1.50 Noble Preferred Stock and the shares of Noble Common Stock to be reserved for issuance upon the exercise of Chiles Options to be assumed by Noble in the Merger, if any. Application will be made to the NASD to list on

the NASDAQ National Market System the shares of $1.50 Noble Preferred Stock to be issued upon consummation of the Merger. The consummation of the Merger is conditioned upon NASD approval of such listing.

NO APPRAISAL RIGHTS

Stockholders of Chiles are not entitled to any appraisal or dissenter's rights under the DGCL in connection with the Merger. Stockholders of Noble are

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not entitled to any appraisal or dissenter's rights under the DGCL in connection with the Merger or the other matters to be considered at the Noble Special Meeting.

INTERESTS OF CERTAIN PERSONS IN THE MERGER

In considering the recommendation of the Board of Directors of Chiles with respect to the Merger, stockholders of Chiles should be aware that certain persons may have direct or indirect interests in the Merger separate from those of the stockholders of Chiles generally, including those discussed below.

Representation on Board of Directors. The Merger Agreement provides that the number of directors comprising Noble's Board of Directors at the Effective Time will be increased from seven to nine, and that Noble will cause Marc E. Leland, a director of Chiles, and Lawrence Chazen, an affiliate of P.A.J.W., or another designee of Chiles, to be elected to the Board of Directors effective as of the Effective Time. Mr. Leland will be elected to serve until Noble's 1997 annual meeting of its stockholders, and Mr. Chazen will be elected to serve until Noble's 1996 annual meeting of stockholders.

Marc E. Leland is Chairman of the Board of Directors of Chiles, and has been a director of Chiles since December 1989. Since 1984, Mr. Leland has served as President of Marc E. Leland & Associates, Inc., a company engaged in the business of providing financial advisory services to Gordon P. Getty and certain Getty family trusts. Mr. Leland is also a director of Caterair International Corporation. He is the President and sole director of P.A.J.W.

Lawrence Chazen has served as Chief Executive Officer of Lawrence J. Chazen, Inc., a California registered investment adviser, since 1977, and has provided financial advisory services to Gordon P. Getty, the Gordon P. Getty Family Trust and other clients since 1977.

In order to comply with the Bylaws of Noble, which require that each class of directors be as nearly equal in number as possible, one of the current members of the Board of Directors of Noble in the class whose term expires at the 1997 annual meeting of stockholders will become a member of the class whose term expires at the 1995 annual meeting.

Executive Bonus Arrangements. Pursuant to resolutions adopted by the Compensation Committee of the Board of Directors of Chiles in May 1993, C. Ray Bearden, President and a director of Chiles, and Robert F. Fulton, Senior Vice President and a director of Chiles, will each be entitled to a cash bonus of $100,000 upon completion of the Merger or another specified business combination.

Executive Severance Agreements. On July 1, 1993, Chiles entered into Severance Agreements with C. Ray Bearden and Robert F. Fulton. The Severance Agreements provide that, in the event of a "Termination Event" within one year following a specified change in control of Chiles (which would include the Merger), Chiles will (i) pay to the employee a lump sum payment equal to one year's annual base salary plus one month's base salary for each year of service the employee had with Chiles, not to exceed a maximum lump sum payment of two years' annual base pay, (ii) continue the employee's medical, disability and life insurance coverage for up to two years or until substantially similar insurance coverage is provided by a subsequent employer and (iii) accelerate the vesting of the employee's unvested employee stock options by up to 30 percent. A "Termination Event" is defined to include (a) a termination other than for cause (as defined), (b) a material diminution in the scope or nature of the employee's duties (subject to certain limitations), (c) a reduction in the employee's base salary of more than 10 percent (with certain exceptions), (d) a diminution in the employee's ability to participate in employee incentive or benefit plans, or (e) a required relocation of employee of more than 50 miles from the employee's then current location.

Exchange of Options. Pursuant to the Merger Agreement, all outstanding Chiles Options will be exchanged at the Effective Time for an aggregate of 480,000 shares of Noble Common Stock (subject to adjustment and to the consent of all holders of such Chiles Options on or prior to the Effective Time). See "Certain Provisions of the Merger Agreement -- Chiles Options." Pursuant to such exchange, Messrs. C. Ray Bearden, Robert F. Fulton, Marc E. Leland, Winthrop A. Wyman, Edward L. Morse, John Slayton and Jack Hilder, each a director of Chiles, will receive 90,821, 63,575, 13,623, 13,623, 13,623, 13,623 and 13,623 shares of

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Noble Common Stock, respectively. If the consent of all holders of the Chiles Options to the exchange described above is not obtained prior to the closing of the Merger Agreement, then Noble will take all necessary action to assume such Chiles Options, substituting Noble Common Stock for the Chiles Common Stock purchasable thereunder and making other appropriate adjustments as described under "Certain Provisions of the Merger Agreement -- Chiles Options."

Registration Rights. P.A.J.W. will enter into an agreement with Noble providing P.A.J.W. certain rights to require Noble to register for sale under the Securities Act the shares of Noble Common Stock P.A.J.W. receives pursuant to the Merger. See "-- Limitations on Resale; Registration Rights."

Indemnification. The Merger Agreement provides for broad indemnification of the officers and directors of Chiles, and obligates Noble to continue for six years Chiles' directors' and officers' liability insurance. See "Certain Provisions of the Merger Agreement -- Indemnification."

Employee Benefit Plans. See "Certain Provisions of the Merger Agreement -- Chiles Employee Benefits" for a discussion of post-Merger arrangements regarding Chiles employee benefit plans.

CERTAIN PROVISIONS OF THE MERGER AGREEMENT

GENERAL

The Merger Agreement provides that, subject to the terms and conditions set forth therein, Chiles will be merged with and into Noble Sub, and the separate existence of Chiles will cease, with Noble Sub continuing in existence as the surviving corporation and succeeding to all rights, properties and obligations of Chiles. Following the Merger, Noble Sub will remain a wholly owned subsidiary of Noble.

EFFECTIVE TIME OF THE MERGER; CLOSING

The Merger shall become effective immediately when a certificate of merger, prepared and executed in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("DGCL"), is filed with the Secretary of State of Delaware or at such time thereafter (not to exceed 90 days from the date the certificate is filed) as is provided in the certificate of merger pursuant to the mutual agreement of Noble and Chiles. The filing of the certificate of merger shall be made as soon as practicable on the Closing Date (as defined below). The closing of the Merger (the "Closing") shall take place on a date (the "Closing Date") to be specified by the parties, which shall be as soon as practicable after the satisfaction or waiver of the conditions to the consummation of the Merger, unless another date is agreed to by the parties.

CONVERSION OF SHARES; PROCEDURE FOR EXCHANGE OF CERTIFICATES; FRACTIONAL SHARES

Subject to the terms and conditions of the Merger Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Noble, Chiles, Noble Sub or their respective stockholders, (i) each share of Chiles Common Stock issued and outstanding immediately prior to the Effective Time will be converted into the right to receive 0.75 of a share of Noble Common Stock and (ii) each share of Chiles Preferred Stock (together with the shares of Chiles Common Stock issued and outstanding immediately prior to the Effective Time, the "Shares") will be converted into the right to receive one share of $1.50 Noble Preferred Stock.

As soon as practicable after the Effective Time, each holder of a certificate that prior thereto represented Shares will be entitled, upon surrender thereof to Noble or its transfer agent, to receive in exchange therefor, as applicable (i) a certificate or certificates representing the number of whole shares of Noble Common Stock

into which the shares of Chiles Common Stock so surrendered shall have been converted in such denominations and registered in such names as such holder may request or (ii) a certificate or certificates representing the number of shares of $1.50 Noble Preferred Stock into which the shares of Chiles Preferred Stock so surrendered shall have been converted in such denominations and registered in such names as such holder may request. Following the Effective Time, Noble will cause to be mailed to each holder of certificates that represented Shares immediately prior to the Effective Time, at such holder's address as it appears

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on Chile's stock transfer records, a letter of transmittal and other information, advising such holder of the consummation of the Merger along with instructions to enable such holder to effect the exchange of stock certificates as contemplated by the Merger Agreement.

Until so surrendered and exchanged, each certificate that prior to the Effective Time represented Shares shall represent solely the right to receive Noble Common Stock (and cash in lieu of fractional shares as described below, if any) or $1.50 Noble Preferred Stock, as the case may be. Unless and until any such certificates shall be so surrendered and exchanged, no dividends or other distributions payable to the holders of Noble Common Stock or $1.50 Noble Preferred Stock, as of any time on or after the Effective Time, shall be paid to the holders of such certificates that prior to the Effective Time represented Shares; provided, however, that, upon any such surrender and exchange of such outstanding certificates, there shall be paid to the record holders of the certificates issued and exchanged therefor the amount, without interest thereon, of dividends and other distributions, if any, that theretofore were declared and became payable on or after the Effective Time with respect to the number of whole shares of Noble Common Stock or $1.50 Noble Preferred Stock, as the case may be, issued to such holder.

All shares of Noble Common Stock and $1.50 Noble Preferred Stock issued upon the surrender for exchange of certificates that prior to the Effective Time represented Shares in accordance with the terms of the Merger Agreement (including any cash paid in lieu of fractional shares, as described below) shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares. At and after the Effective Time, there shall be no further registration of transfers on the stock transfer books of Noble Sub of the Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates that prior to the Effective Time represented Shares are presented to Noble Sub for any reason, they shall be cancelled and exchanged as provided in the Merger Agreement.

No fractional shares of Noble Common Stock will be issued, and each holder of Chiles Common Stock who would otherwise be entitled to a fraction of a share of Noble Common Stock will, upon surrender of the certificates representing Chiles Common Stock held by such holder to Noble, be paid an amount in cash equal to the value of such fraction of a share based upon the closing sales price of Noble Common Stock, as reported on the NASDAQ National Market System, on the last day on which there is a reported trade in the Noble Common Stock prior to the date on which the Effective Time occurs. No interest will be paid on such amount.

If any certificate for shares of Noble Common Stock or $1.50 Noble Preferred Stock is to be issued in a name other than that in which the certificate surrendered in exchange therefor is registered, it will be a condition of the issuance thereof that the certificate so surrendered is properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange has paid to Noble or its transfer agent any transfer or other taxes required by reason of the issuance of a certificate for shares of Noble Common Stock or $1.50 Noble Preferred Stock in any name other than that of the registered holder of the certificate surrendered, or has established to the satisfaction of Noble or its transfer agent that such tax has been paid or is not payable.

CHILES STOCKHOLDERS SHOULD NOT FORWARD CERTIFICATES REPRESENTING CHILES COMMON STOCK OR CHILES PREFERRED STOCK TO NOBLE OR ITS TRANSFER AGENT UNTIL THEY HAVE RECEIVED INSTRUCTIONS AS TO THE MANNER OF SURRENDER. CHILES STOCKHOLDERS SHOULD NOT RETURN STOCK CERTIFICATES WITH THEIR PROXY.

REPRESENTATIONS AND WARRANTIES

Pursuant to the Merger Agreement, Noble and Chiles each made various customary representations and warranties as to, among other things, their respective corporate organization and compliance with law, their respective capitalization, the authorization and validity of the Merger Agreement, their respective businesses and financial condition, required approvals or conflicts, their Commission filings and financial statements, litigation, employee benefit matters, tax matters and environmental matters.

CONDUCT OF BUSINESS PRIOR TO EFFECTIVE TIME

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Chiles. Under the Merger Agreement, Chiles has agreed, from the date of the Merger Agreement until the Effective Time, unless Noble shall otherwise agree in writing or as otherwise contemplated by the Merger Agreement or as disclosed to Noble, that, among other things: (a) the business of Chiles shall be conducted only in the ordinary course of business and consistent with past practice, and Chiles will not (i) enter any new drilling contracts with respect to any of Chiles' drilling rigs unless such contracts may reasonably be expected to have a duration of 90 days or less, or amend in any material respect adverse to Chiles or Noble any drilling contract or other material contract or agreement, without giving prior written notice to Noble, or (ii) mobilize any of Chiles' drilling rigs from the Gulf of Mexico or from the West African coast without giving prior written notice to Noble; (b) Chiles will not directly or indirectly take any of a number of specific actions, including (i) the issuance of additional capital stock, (ii) the amendment of its charter or bylaws, (iii) the splitting, combining or reclassifying of any outstanding capital stock, (iv) the declaration, setting aside or payment of any dividend with respect to its capital stock (except for regular quarterly cash dividends on the Chiles Preferred Stock), (v) the redemption, purchase or acquisition of its capital stock or (vi) making any of a number of specified increases or changes in Chiles' bonus, compensation or employee benefit plans or arrangements; (c) Chiles will use its reasonable efforts to preserve its business organizations, any authorizations or similar rights, the services of its current officers and key employees, the goodwill of those having business relationships with Chiles, its properties and its levels of insurance coverage; and (d) Chiles will not make or agree to make capital expenditures that in the aggregate exceed $500,000 (other than planned capital expenditures previously disclosed to Noble).

Noble. Under the Merger Agreement, Noble has agreed, from the date of the Merger Agreement until the Effective Time, unless Chiles shall otherwise agree in writing or as otherwise contemplated by the Merger Agreement or as disclosed to Chiles, that, among other things: (a) the business of Noble shall be conducted only in the ordinary course of business and consistent with past practice; (b) Noble will not directly or indirectly take any of a number of specific actions, including (i) the issuance of additional capital stock, with certain exceptions, (ii) the amendment of its charter or bylaws, (iii) the splitting, combining or reclassifying of any outstanding capital stock, (iv) the declaration, setting aside or payment of any dividend with respect to its capital stock (except for regular quarterly cash dividends on the $2.25 Noble Preferred Stock) (v) the redemption, purchase or acquisition of its capital stock or (vi) the making of any of a number of specified increases or changes in Noble's bonus, compensation or employee benefit plans or arrangements; (c) Noble will use its reasonable efforts to preserve its business organizations, any authorizations or similar rights, the services of its current officers and key employees, the goodwill of those having business relationships with Noble, its properties and its levels of insurance coverage; and (d) Noble will not make or agree to make capital expenditures other than as previously disclosed to Chiles or those made in the ordinary course of business and consistent with past practice.

SOLICITATION OF THIRD PARTY OFFERS

The Merger Agreement provides that Chiles will not, directly or indirectly, through any officer, director, employee, representative or agent of Chiles or any of its subsidiaries, solicit or knowingly encourage, including by way of furnishing information, the initiation of any inquiries or proposals regarding (i) any merger, tender offer, sale of shares of capital stock or similar business combination transactions involving Chiles or its subsidiaries that would have the effect of causing the holders of Chiles Common Stock immediately prior to the effectiveness of such proposed transaction to own in the aggregate less than 50 percent of the shares of the surviving or resulting entity entitled to vote generally for the election of directors of the surviving or resulting

entity, or (ii) any sale of all or substantially all the assets of Chiles and its subsidiaries, taken as a whole (collectively, a "Chiles Acquisition Transaction"). Notwithstanding the foregoing, nothing in the Merger Agreement prevents the members of the Board of Directors of Chiles, in the exercise of their fiduciary duties and after consulting with independent counsel, from considering, negotiating and approving an unsolicited bona fide proposal that the Board of Directors of Chiles determines in good faith, after consultation with its financial advisors, may result in a transaction more favorable to Chiles' stockholders than the transactions contemplated by the Merger Agreement. If the Board of Directors of Chiles receives a request for confidential

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information by a potential bidder for Chiles and the Board of Directors determines, after consultation with independent counsel, that the Board of Directors has a fiduciary obligation to provide such information to a potential bidder, then Chiles may, subject to a confidentiality agreement substantially similar to that previously executed by Noble, provide such potential bidder with access to information regarding Chiles. Chiles will promptly notify Noble, orally and in writing, if any such proposal or offer is made and will, in any such notice, indicate the identity and terms and conditions of any proposal or offer, or any such inquiry or contact. Chiles will keep Noble advised of the progress and status of any such proposals or offers. The obligation of the Board of Directors of Chiles to convene a meeting of its stockholders and to recommend the adoption and approval of the Merger Agreement to the stockholders of Chiles pursuant to the Merger Agreement will be subject to the fiduciary duties of the directors, as determined by the directors after consultation with their independent counsel, and nothing contained in the Merger Agreement will prevent the Board of Directors of Chiles from approving or recommending to the stockholders of Chiles any unsolicited offer or proposal by a third party if required in the exercise of their fiduciary duties, as determined by the directors after consultation with independent counsel.

CHILES OPTIONS

Chiles has agreed to use its best efforts to obtain the consent of each holder of the Chiles Options to the exchange of such holder's options for shares of Noble Common Stock as described below (and to take any other actions necessary to permit such exchange). Subject to obtaining the consent of each holder of the Chiles Options, and further subject to the consummation of the Merger, at the Effective Time, all then outstanding Chiles Options will be cancelled in exchange for an aggregate of 480,000 shares of Noble Common Stock (subject to appropriate reductions if any Chiles Options outstanding on the date of the Merger Agreement are exercised prior to the Effective Time). The number of shares of Noble Common Stock to be received by each holder of a Chiles Option will be based on a formula that provides that all holders of Chiles Options having the same exercise price per share and vesting schedule will receive the same number of shares of Noble Common Stock per share of Chiles Common Stock purchasable under such Chiles Options.

If each of the holders of the Chiles Options has not consented to the exchange of such Chiles Options prior to the Closing Date, then the Chiles Options will not be exchanged as provided in the preceding paragraph, and instead Noble will take such action as is necessary to assume, effective at the Effective Time, each Chiles Option that remains as of such time unexercised in whole or in part and to substitute shares of Noble Common Stock as purchasable under each such assumed option ("Assumed Option"), with such assumption and substitution to be effected as follows: (a) the Assumed Option will not give the optionee additional benefits which he did not have under the Chiles Option before such assumption and will be assumed on the same terms and conditions, including, without limitation, the vesting schedule, as the Chiles Options being assumed; (b) the number of shares of Noble Common Stock purchasable under the Assumed Option will be equal to the number of shares of Noble Common Stock that the holder of the Chiles Option being assumed would have received (without regard to any vesting schedule) upon consummation of the Merger had such Chiles Option been exercised in full immediately prior to consummation of the Merger; and (c) the per share exercise price of such Assumed Option will be an amount equal to the per share exercise price of the Chiles Option being assumed divided by 0.75.

If the Chiles Options are assumed by Noble as described in the preceding paragraph, Noble will take all corporate action necessary to reserve for issuance a sufficient number of shares of Noble Common Stock for delivery upon exercise of the Assumed Options, and, as soon as practicable after the Effective Time, Noble will file a registration statement on Form S-8 (or other appropriate form) with respect to the shares of Noble

Common Stock subject to the Assumed Options, and will use its best efforts to maintain the effectiveness of such registration statement (and maintain the current status of any prospectus contained therein) for so long as any of the Assumed Options remain outstanding.

See "The Merger -- Certain Federal Income Tax Consequences" for a discussion of certain consequences under the Code of the exchange of Chiles Options for Noble Common Stock.

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NASDAQ NATIONAL MARKET SYSTEM LISTING

Subject to the adoption by the stockholders of Noble of the Noble Charter Amendment, Noble will use all reasonable efforts to cause the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued in the Merger, the shares of Noble Common Stock to be reserved for issuance upon the exercise of Chiles Options to be assumed by Noble in the Merger, if any, and the shares of Noble Common Stock issuable upon conversion of the $1.50 Noble Preferred Stock, all to be approved for listing in the NASDAQ National Market System prior to the Closing Date.

INDEMNIFICATION

The Merger Agreement provides that, from and after the Effective Time, Noble and Noble Sub, as the surviving corporation, will indemnify, defend and hold harmless each person who is now, or has been at any time prior to the date of the Merger Agreement or who becomes prior to the Effective Time, an officer, director or employee of Chiles or any of its subsidiaries against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement with the approval of the indemnifying party of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director, officer or employee of Chiles or any of its subsidiaries, whether pertaining to any matter existing or occurring at or prior to the Effective Time and whether reasserted or claimed prior to, or at or after, the Effective Time, including all indemnified liabilities based in whole or in part on, or arising in whole or in part out of, or pertaining to the Merger Agreement or the transactions contemplated thereby.

The Merger Agreement provides that Noble Sub, as the surviving corporation, will purchase and maintain for a period of six years after the Effective Time, continuation coverage for Chiles' directors' and officers' liability insurance policy as in effect on the date of the Merger Agreement, or obtain a directors' and officers' insurance policy with comparable coverage.

CHILES EMPLOYEE BENEFITS

The Merger Agreement provides that after the Effective Time, Noble will provide those employees of Chiles and its subsidiaries covered by the benefit plans of Chiles and its subsidiaries with the same benefits in respect of future service that accrue in respect of future services to the employees of Noble who are employed in comparable positions, and any present employees of Chiles and its subsidiaries will be credited for their service with Chiles for purposes of eligibility, benefit entitlement and vesting in the plans provided by Noble (other than for purposes of benefit accruals under any defined benefit pension plan).

REGISTRATION RIGHTS AGREEMENT

The Merger Agreement provides that, on or prior to the Closing Date, Noble will execute and deliver to P.A.J.W. a Registration Rights Agreement as described under "-- Limitations on Resale; Registration Rights."

CERTAIN CONDITIONS TO CONSUMMATION OF THE MERGER

The respective obligations of each party to effect the Merger are subject to the fulfillment at or prior to the Closing Date of a number of conditions set forth in the Merger Agreement, including: (a) the requisite approval by the stockholders of Chiles and Noble with respect to the Merger Agreement, and the requisite approval by the stockholders of Noble with respect to the Noble Charter Amendment; (b) the termination or

expiration of the waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act; (c) the Registration Statement, and any amendments thereto, shall have been declared effective by the Commission as of the Closing Date; (d) no order shall have been entered and remain in effect in any action or proceeding before any foreign, federal or state court or governmental agency or other foreign, federal or state regulatory or administrative agency or commission that would prevent or make illegal the consummation of the Merger; (e) all material required consents and approvals of governmental agencies or private persons or entities shall have been obtained;

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(f) the shares of Noble Common Stock and $1.50 Noble Preferred Stock issuable upon consummation of the Merger and the shares of Noble Common Stock issuable upon conversion of the $1.50 Noble Preferred Stock or upon exercise of any Assumed Options have been approved for listing on the NASDAQ National Market System; and (g) Noble and Chiles shall be advised in writing on the Closing Date by Arthur Andersen & Co. that, in accordance with generally accepted accounting principles, the Merger should qualify for treatment as a "pooling of interests" for accounting purposes.

The obligation of Noble to consummate the Merger is subject to the fulfillment at or prior to the Closing Date of certain additional conditions, including (a) the accuracy of the representations and warranties of Chiles and the compliance by Chiles with all covenants made by it under the Merger Agreement; (b) that there has not been any material adverse change in the business, operations or financial condition of Chiles and its subsidiaries from the date of the Merger Agreement through the Closing Date; (c) that the fairness opinion of Simmons has not been withdrawn; (d) that Chiles shall have received certain agreements from its affiliates relating to resales of Noble Common Stock to be received by such persons in the Merger; (e) that Noble shall have received an opinion from Vinson & Elkins L.L.P., counsel to Chiles, with respect to certain legal matters; (f) that the opinion received by Noble from Thompson & Knight, A Professional Corporation with respect to certain tax aspects of the Merger shall not have been withdrawn or modified in any material respect; (g) that the Shareholder Voting Agreement dated April 23, 1990, as amended on May 24, 1991, among P.A.J.W., OMI, AWILCO Shipping and WILCO A/S has been terminated or will terminate by its terms as of the Effective Time; and (h) that certain documentation to permit the export of the drilling rigs of Chiles that have been imported by Chiles and its Nigerian agent into Nigeria shall have been executed by Chiles and such agent.

The obligation of Chiles to effect the Merger is also subject to the fulfillment at or prior to the Closing Date of certain additional conditions, including (a) the accuracy of the representations and warranties of Noble and the compliance by Noble with all covenants made by it under the Merger Agreement; (b) the absence of any material adverse change in the business, operations or financial condition of Noble from the date of the Merger Agreement through the Closing Date; (c) that the fairness opinion of Salomon has not been withdrawn; (d) that the Board of Directors of Noble has taken such action as may be necessary to elect the persons designated by Chiles to the Noble Board of Directors effective as of the Effective Time; (e) that Noble shall have received certain agreements from its affiliates relating to resales of Noble Common Stock; (f) that Chiles shall have received an opinion from Thompson & Knight, A Professional Corporation, counsel to Noble, with respect to certain legal matters; and (g) that the opinion received by Chiles from Vinson & Elkins L.L.P. with respect to certain tax aspects of the Merger shall not have been withdrawn or modified in any material respect.

TERMINATION

General. The Merger Agreement may be terminated and the Merger and the other transactions contemplated thereby may be abandoned, at any time prior to the Effective Time, whether prior to or after approval by the stockholders of Noble or the stockholders of Chiles, under the following circumstances: (a) by the mutual consent of Noble and Chiles; (b) by either party if the Merger has not been consummated by January 31, 1995; (c) by Noble if the fairness opinion of Simmons has been withdrawn; (d) by Chiles if the fairness opinion of Salomon has been withdrawn; (e) by either Noble or Chiles if a final, unappealable order of a judicial or administrative authority of competent jurisdiction to restrain, enjoin or otherwise prevent a consummation of the Merger Agreement or the transactions contemplated thereby shall have been entered; (f) by either party if the required approval of the stockholders of the other party is not received in a vote duly taken at their respective stockholders' meetings; (g) by Noble if (i) since the date of the Merger Agreement

there has been a material adverse change in the business, operations or financial condition of Chiles and its subsidiaries, taken as a whole, or (ii) there has been a material breach of any representation, warranty or covenant by Chiles that is not remedied within five business days of notice of such breach; (h) by Chiles if (i) since the date of the Merger Agreement there has been a material adverse change in the business, operations or financial condition of Noble and its subsidiaries, taken as a whole, or (ii) there has been a material breach of any representation, warranty or covenant by Noble that is not remedied

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within five business days of notice of such breach; or (i) by Noble if the Board of Directors of Chiles exercises its right not to convene a meeting of its stockholders pursuant to the provisions of the Merger Agreement described above under "-- Solicitation of Third Party Offers."

Termination Fee. In the event that either Noble or Chiles terminates the Merger Agreement pursuant to clauses (a), (b), (d), (f), (g)(ii) or (i) of the preceding paragraph and (i) the Merger Agreement has either not been submitted to the stockholders of Chiles or the stockholders of Chiles have declined to approve the Merger Agreement by the requisite vote, (ii) after the date of the Merger Agreement but at or before the time the Merger Agreement is terminated there shall have been a Chiles Acquisition Transaction proposed in writing to Chiles and (iii) any Chiles Acquisition Transaction (whether the same or different from the one referenced in clause (ii)) is consummated at any time within one year after the date of the Merger Agreement, then Chiles will promptly pay to Noble the sum of $6,000,000.

Expense Reimbursement. If the Merger Agreement is terminated because of the failure of the other party to secure the approval of its stockholders as required under the Merger Agreement and certain conditions to Closing set forth in the Merger Agreement have otherwise been satisfied, then the party whose stockholders failed to make the required approval will pay to the other party an amount equal to $1,000,000 as reimbursement for out-of-pocket fees and expenses incurred in connection with the transactions contemplated by the Merger Agreement (subject, in the case of Chiles, to offset against any amount payable to Noble under the provisions described above under "-- Termination Fee").

INVESTMENT CONSIDERATIONS

The following considerations should be evaluated by stockholders before determining how to vote at the respective special meetings.

INTENSE COMPETITION; INDUSTRY CONDITIONS

The offshore contract drilling industry is a highly competitive and cyclical business. It is characterized by high capital costs and numerous industry participants, none of which has a significant market share but certain of which may have greater financial resources than Noble. Noble's operations are materially dependent upon the levels of activity in offshore oil and natural gas exploration, development and production. Such activity levels are affected both by short-term and long-term trends in oil and natural gas prices. In recent years, oil and natural gas prices and, therefore, the level of offshore drilling and exploration activity, have been extremely volatile. Worldwide military, political and economic events, including initiatives by the Organization of Petroleum Exporting Countries, have contributed to, and are likely to continue to contribute to, price volatility. As events during recent years have exhibited, any prolonged reduction in oil and natural gas prices would depress the level of offshore exploration and development activity and result in a corresponding decline in the demand for Noble's services and therefore have a material adverse effect on Noble's revenues and profitability. Noble can predict neither the future level of demand for its drilling services nor the future conditions in the offshore contract drilling industry.

LOSSES FROM OPERATIONS

The historical financial data for Noble reflect net losses applicable to common shares of $18,185,000, $10,918,000 and $8,751,000 for the years ended December 31, 1992, 1991 and 1990, respectively. Noble had net income applicable to common shares of $14,188,000 for the year ended December 31, 1993. Continued profitability of Noble will be dependent upon the utilization of and rates for its drilling rigs. There can be no assurance that the improved levels of utilization and the higher dayrates that resulted in net income for the

year ended December 31, 1993 will continue. Utilization levels and dayrates experienced during 1994 have been generally lower than those experienced in 1993.

SUBSTANTIAL INTERNATIONAL OPERATIONS

A major portion of Noble's revenues has been attributable to international operations. Revenues from international sources accounted for approximately 60 percent of Noble's operating revenues in 1993. Risks associated with Noble's

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operations in international markets include risks of war and civil disturbances or other risks that may limit or disrupt markets, expropriation, nationalization, foreign exchange restrictions and currency fluctuations, foreign taxation, changing political conditions and foreign and domestic monetary policies. For example, recent political instability in West Africa has resulted in reduced demand for drilling services in that region. Additionally, the ability of Noble to compete in the international drilling market may be adversely affected by foreign governmental regulations that favor or require the awarding of drilling contracts to local contractors, or by regulations requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Furthermore, no predictions can be made as to what foreign governmental regulations may be enacted in the future that could be applicable to the contract drilling industry.

CONCENTRATION OF OPERATIONS IN CERTAIN MARKETS

Currently, 20 of Noble's 31 mobile offshore drilling rigs are located in the Gulf of Mexico and six are located off the coast of West Africa. Eleven of Chiles' 13 drilling rigs currently are located in the Gulf of Mexico and two are located off the coast of West Africa. Consequently, given the concentration of such drilling rigs in those regions, a decrease in the demand for offshore drilling rigs in the Gulf of Mexico, and to a lesser extent in West Africa, could have a material adverse effect on the financial performance of Noble.

ABSENCE OF DIVIDENDS ON NOBLE COMMON STOCK

Noble has not paid any cash dividends on the Noble Common Stock since becoming a publicly held corporation in October 1985 and does not anticipate paying dividends on the Noble Common Stock at any time in the foreseeable future. The $2.25 Noble Preferred Stock has, and the $1.50 Noble Preferred Stock will have, priority as to dividends over Noble Common Stock, and no dividend (other than dividends payable solely in Noble Common Stock) may be declared, paid or set apart for payment on the Noble Common Stock unless all accrued and unpaid dividends on the $2.25 Noble Preferred Stock and the $1.50 Noble Preferred Stock have been paid or declared and set apart for payment.

RESTRICTIONS ON FOREIGN OWNERSHIP

The Restated Certificate of Incorporation of Noble contains limitations on the percentage of outstanding Noble Common Stock and Noble preferred stock of any series that can be owned by persons who are not United States citizens within the meaning of certain U.S. statutes relating to ownership of U.S. flag vessels. Applying the statutory requirements, the Restated Certificate of Incorporation would currently prohibit more than 45 percent of the outstanding Noble Common Stock and of all series of preferred stock of Noble combined from being owned by non-U.S. citizens. As of June 30, 1994, approximately .01 percent of the outstanding Noble Common Stock and none of the outstanding $2.25 Noble Preferred Stock was held by record holders with registered addresses outside the United States. The limitations imposed by Noble's Restated Certificate of Incorporation may at times restrict the ability of Noble's stockholders to transfer shares of their stock to non-U.S. citizens. See "Description of Noble Capital Stock -- Foreign Ownership."

OPERATIONAL RISKS AND INSURANCE

Noble's operations are subject to the many hazards inherent in the drilling business, including blowouts, cratering, fires and collisions or groundings of offshore equipment, which could cause substantial damage to the environment, and damage or loss from adverse weather and seas. These hazards could cause personal injury and loss of life, suspend drilling operations or seriously damage or destroy the property and equipment

involved and, in addition to environmental damage, could cause substantial damage to producing formations and surrounding areas. Although Noble maintains insurance against many of these hazards, such insurance is subject to substantial deductibles and provides for premium adjustments based on claims. It also excludes certain matters from coverage, such as loss of earnings on certain rigs. Also, while Noble generally obtains indemnification from its customers for environmental damage with respect to offshore drilling, such indemnification is generally only in excess of a specified amount, which usually ranges from $100,000 to $250,000.

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In the case of the turnkey drilling operations of Triton, Triton maintains insurance against pollution and environmental damage in amounts ranging from $5 million to $50 million depending on location, subject to self-insured retentions of $100,000 to $500,000. Under turnkey drilling contracts, Triton generally assumes the risk of pollution and environmental damage, but on occasion receives indemnification from the customer for environmental and pollution liabilities in excess of Triton's pollution insurance coverage. Further, Triton is not insured against certain drilling risks that could result in delays or nonperformance of a turnkey drilling contract. Triton typically secures indemnities for pollution arising from certain acts of the drilling contractors that provide the rigs for Triton's turnkey drilling operations.

Notwithstanding the insurance and indemnity coverage provided to Noble, the occurrence of a significant event not fully insured or indemnified against or the failure of a customer to meet its indemnification obligations could materially and adversely affect Noble's operations and financial condition. Moreover, no assurance can be given that Noble will be able to maintain adequate insurance in the future at rates it considers reasonable or that any particular types of coverage will be available.

GOVERNMENTAL REGULATION AND ENVIRONMENTAL MATTERS

Many aspects of Noble's operations are affected by domestic and foreign political developments and are subject to numerous domestic and foreign governmental regulations that may relate directly or indirectly to the contract drilling industry. The regulations applicable to Noble's operations include certain regulations controlling the discharge of materials into the environment, requiring removal and cleanup under certain circumstances or otherwise relating to the protection of the environment. Laws and regulations protecting the environment have become more stringent in recent years, and may in certain circumstances impose "strict liability," rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. Such laws and regulations may expose Noble to liability for the conduct of, or conditions caused by, others, or for acts of Noble which were in compliance with all applicable laws at the time such acts were performed. The application of these requirements or the adoption of new requirements could have a material adverse effect on Noble. In addition, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploratory or development drilling for oil and gas for economic, environmental or other reasons could have a material adverse effect on Noble's operations by limiting drilling opportunities.

Noble's operations in the Gulf of Mexico are subject to the U.S. Oil Pollution Act of 1990 (the "OPA") and the regulations promulgated pursuant thereto. Noble generally seeks to obtain indemnity agreements whenever possible from Noble's customers requiring such customers to hold Noble harmless from liability for pollution that originates below the water surface (including, where applicable, liability under the OPA) and maintains marine liability insurance and contingent operators extra expense insurance, all of which affords Noble limited protection. When obtained, such contractual indemnification protection may not in all cases be supported by adequate insurance maintained by the customer. There is no assurance that any such insurance or contractual indemnity protection will be sufficient or effective under all circumstances.

LIMITATION ON USE OF NET OPERATING LOSS CARRYFORWARDS

If a corporation undergoes an "ownership change" within the meaning of Section 382 of the Code, the corporation's right to use its then-existing net operating loss carryforwards ("NOLs") (and certain other tax attributes), for both regular tax and alternative minimum tax purposes, during each future year is limited to a percentage (currently approximately six percent) of the fair market value of such corporation's stock

immediately before the ownership change (the "Section 382 Limitation"). In general, there is an "ownership change" under Section 382 if over a three-year period certain stockholders increase their percentage ownership of a corporation (with NOLs) by more than 50 percentage points. To the extent that taxable income exceeds the Section 382 Limitation in any year subsequent to the ownership change, such excess income may not be offset by NOLs from years prior to the ownership change. To the extent the amount of taxable income in any subsequent year is less than the Section 382 Limitation for such year, the Section 382 Limitation for future years is correspondingly increased. There is generally no

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restriction on the use of NOLs arising after the ownership change, although Section 382 applies anew each time there in an ownership change.

As of December 31, 1993, Noble had approximately $91,468,000 of NOLs, a significant portion of which may be subject to a Section 382 Limitation resulting from ownership changes in years prior to the year of the Merger. Noble believes that another ownership change with respect to Noble may occur as a result of the Merger. The resulting Section 382 Limitation may limit Noble's ability to use its NOLs in future years, although the actual effect, if any, of such limitation will depend on Noble's profitability in future years. Noble does not believe that any Section 382 Limitation resulting from the Merger or from any prior ownership changes will have a material adverse effect on Noble's ability to utilize its NOLs.

As of December 31, 1993, Chiles had approximately $69,600,000 of NOLs. Chiles believes that an ownership change with respect to Chiles will occur as a result of the Merger. The resulting Section 382 Limitation may limit Noble's ability to use Chiles' NOLs in future years, although the actual effect, if any, of such limitation will depend on Noble Sub's profitability in future years. Chiles does not believe that any Section 382 Limitation resulting from the Merger will have a material adverse effect on Noble's ability to utilize Chiles' NOLs.

PROPOSAL TO ADOPT NOBLE CHARTER AMENDMENT

BACKGROUND AND REASONS

As of May 31, 1994, there were issued and outstanding 48,390,873 shares of Noble Common Stock, and an aggregate of 19,755,352 shares of Noble Common Stock were reserved for issuance and issuable (i) pursuant to certain Noble employee benefit plans, (ii) upon the exercise of outstanding employee or non-employee director stock options or (iii) upon the conversion of the $2.25 Noble Preferred Stock. In addition, an indeterminate number of shares of Noble Common Stock (of up to at least 254,551 shares) were reserved for issuance pursuant to the Triton Agreement.

The authorized capital stock of Noble currently consists of 75,000,000 shares of Noble Common Stock and 15,000,000 shares of preferred stock. Consequently, there are not a sufficient number of shares of Noble Common Stock available to permit Noble to consummate the Merger. In order to permit Noble to consummate the Merger and to provide Noble the flexibility to issue Noble Common Stock in future transactions should the Board of Directors of Noble determine it is appropriate, the Board is proposing that the Restated Certificate of Incorporation of Noble be amended to increase the number of authorized shares of Noble Common Stock by 125,000,000 shares (referred to herein as the Noble Charter Amendment). If the Noble Charter Amendment is adopted, the additional shares of Noble Common Stock would be available for future issuance at the discretion of the Noble Board without further action by the stockholders of Noble and, depending on the circumstances of any such issuance, could result in dilution of existing stockholders' interests. There are no pending or proposed transactions, financings or other uses currently contemplated by the Board of Directors of Noble for the issuance of the additional shares of Noble Common Stock other than as described in this Joint Proxy Statement/Prospectus with respect to the Merger.

PROPOSED NOBLE CHARTER AMENDMENT

The Board of Directors of Noble has declared it advisable and has adopted, and recommends that the holders of Noble Common Stock adopt, the Noble Charter Amendment to revise Article IV, Section 1 of

Noble's Restated Certificate of Incorporation by deleting such section in its entirety and substituting therefor the following:

> Section 1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 215,000,000 consisting of (1) 15,000,000 shares of Preferred Stock, par value $1.00 per share ("Preferred Stock"), and (2) 200,000,000 shares of Common Stock, par value $.10 per share ("Common Stock").

RECOMMENDATION AND REQUIRED AFFIRMATIVE VOTE

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The affirmative vote of the holders of a majority of the shares of Noble Common Stock outstanding and entitled to vote at the Noble Special Meeting is required to adopt the Noble Charter Amendment. The Board of Directors of Noble has declared the Noble Charter Amendment advisable and believes it is in the best interests of Noble and its stockholders. Accordingly, the Board of Directors of Noble unanimously recommends that its stockholders vote FOR the Noble Charter Amendment. If the Noble Charter Amendment is not adopted, the Merger cannot be consummated, regardless of whether the Merger Proposal is adopted by the stockholders of Noble. Noble intends to effect the Noble Charter Amendment, if adopted by stockholders, irrespective of whether the Merger Proposal is approved.

PROPOSAL TO APPROVE NOBLE PLAN AMENDMENT

GENERAL

The Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan (the "Plan") was adopted by the Board of Directors of Noble in 1991 and approved by the stockholders of Noble at the 1991 annual meeting of stockholders. At meetings of the Noble Board of Directors in June and July 1994, the Board adopted a proposal to amend the Plan to (i) increase from 1,900,000 to 5,200,000 the aggregate number of shares of Noble Common Stock available for issuance under the Plan and (ii) make certain changes to the Plan to preserve for federal income tax purposes the deductibility of compensation paid under the Plan in the form of nonqualified stock options (collectively, the Noble Plan Amendment). The proposal to amend the Plan is subject to the approval of the holders of Noble Common Stock. The material features of the Plan as currently in effect are described below.

The number of options or shares of restricted stock that may be granted under the Plan (as amended in accordance with the Noble Plan Amendment) to any person entitled to participate in the Plan are not currently determinable.

In January 1994, options were granted under the Plan to purchase an aggregate of 578,000 shares of Noble Common Stock. All such options were granted with an exercise price of $7.38, the last reported sale price of a share of Noble Common Stock on the date of grant. The last sale price of the Noble Common Stock reported on the NASDAQ National Market System on August   , 1994 was $ per share.

REASONS AND PRINCIPAL EFFECTS OF THE PROPOSAL

Increase in Shares of Noble Common Stock Issuable Under the Plan. As of June 30, 1994, there were outstanding stock options covering 1,834,620 shares of Noble Common Stock held by 214 persons and only 488,637 shares of Noble Common Stock remained available for future awards under the Plan. The purpose of the Noble Plan Amendment is to continue the Plan by increasing by 3,300,000 shares the aggregate number of shares of Noble Common Stock that may be issued under the Plan. This increase in the number of shares issuable under the Plan could be particularly important if the Merger is consummated and the number of employees who may become eligible to participate in the Plan is thereby increased. If the Noble Plan Amendment is approved, the employees of Noble who are eligible to participate in the Plan could receive more benefits under the Plan than they could if the Noble Plan Amendment is not approved.

Limitation on Number of Shares Covered by Plan Grants and Awards; Administration by Outside Directors. Pursuant to recently enacted changes to the Code, the amount of compensation payments to certain

highly compensated officers that employers may deduct from income for federal income tax purposes has been limited to $1,000,000 per person per year. Compensation recognized by employees in connection with the exercise of options and stock appreciation rights ("SARs") granted under the Plan may, however, be exempt from the $1,000,000 limitation if certain requirements are satisfied, including the requirements that (i) the Plan state the maximum number of shares for which options or SARs may be granted during a specified period to any employee and (ii) the Plan be administered by a committee comprised solely of two or more "outside" directors within the meaning of the regulations promulgated under the Code.

Currently, the Plan does not limit the total number of shares of Noble Common Stock for which options may be granted, or which may be awarded as

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restricted stock, to a person under the Plan. In addition, the Plan is administered by a committee of "disinterested" directors within the meaning of Rule 16b-3 under the Exchange Act who are not necessarily outside directors within the meaning of the regulations promulgated under the Code. In order to ensure that the deductibility of compensation recognized by employees in connection with the exercise of options and SARs granted under the Plan, the Board of Directors of Noble has proposed to amend the Plan to (i) limit to 1,500,000 the total number of shares of Noble Common Stock that may be made subject to grants of options or SARs or awards of restricted stock under the Plan to any one person during any five-year period, and (ii) provide for administration of the Plan by a committee comprised solely of outside directors who are also disinterested directors.

DESCRIPTION OF PLAN AS CURRENTLY IN EFFECT

Under the Plan, shares of Noble Common Stock may be subject to grants of options and SARs or awards of restricted stock to officers and other employees of Noble and its affiliates. Options and any SARs that relate to such options may be granted, and restricted stock may be awarded, until the maximum number of shares issuable under the Plan has been exhausted or the Plan has been terminated, except that no incentive option and any SARs that relate to such option shall be granted after January 31, 2001. Options granted under the Plan may be either incentive options (which satisfy the requirements of Section 422(b) of the Code or nonqualified options (which do not satisfy such requirements), and may be with or without SARs. Shares of Noble Common Stock covered by an option that expires or terminates prior to exercise and shares of restricted stock returned to Noble are again available for grant of options and awards of restricted stock. The option price may not be less than the greater of the par value or 100 percent of the fair market value of the Noble Common Stock at the time of grant, in the case of an incentive option, and may not be less than the greater of the par value or 50 percent of the fair market value of the Noble Common Stock at the time of grant, in the case of a nonqualified option.

The Plan is administered by the compensation committee (the "Committee") of the Board of Directors of Noble. The Committee must consist of two or more directors of Noble, all of whom must be disinterested persons as defined in Rule 16b-3 under the Exchange Act. The Committee determines the grants of options and awards of restricted stock, the terms and provisions of the respective agreements covering such grants or awards and all other decisions concerning the Plan. It is impracticable to estimate the total number of employees eligible to participate in the Plan. The Plan provides that the determination of the Committee is binding with respect to all questions of interpretation and application of the Plan and of options granted or awards of restricted stock made thereunder.

The Committee may from time to time grant SARs in conjunction with all or any portion of an option either at the time of the initial option grant or, with respect to a nonqualified option, at any time after the initial option grant while the nonqualified option is outstanding. SARs generally will be subject to the same terms and conditions and exercisable to the same extent as stock options, as described above. SARs entitle an optionee to receive without payment to Noble (except for applicable withholding taxes) the excess of the aggregate fair market value per share with respect to which the SAR is then being exercised (determined as of the date of such exercise) over the aggregate purchase price of such shares as provided in the related option.

Options will be exercisable at such time or times not more than 10 years from the date of grant as may be provided by their terms. The Committee may, however, accelerate the time at which an option is exercisable without regard to its terms. Generally, all rights to exercise an option will terminate within three months after

the date the optionee ceases to be an employee of Noble or an affiliate of Noble for any reason other than death or becoming disabled (as defined). In the event of an optionee's death or his becoming disabled, the option will terminate 12 months thereafter, or, if earlier, at the expiration of the option period. Any optionee may be required to remain in the employment of Noble or an affiliate of Noble for a stated period of time before the option may be exercised. If the employment of the optionee is terminated on account of fraud, dishonesty or other acts detrimental to the interests of Noble or one or more of its affiliates, the option shall thereafter be null and void for all purposes.

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No option or any SARs that relate to such option are transferable except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order; and during the lifetime of the optionee, the option and any SARs that relate to such option may be exercised only by the optionee or his guardian or legal representative. The exercise price of options may be paid in cash, by certified check or cashier's check or, with the consent of the Committee, by delivery of shares of Noble Common Stock, including actual or deemed multiple exchanges of shares. In addition, the Committee is authorized by the Plan to selectively approve arrangements with a brokerage firm under which it would, on behalf of an optionee, make payment in full to Noble of the option price for the shares then being purchased, and Noble, pursuant to an irrevocable notice in writing from the optionee, would deliver the certificate for the appropriate number of shares to such brokerage firm. Noble may satisfy its tax withholding obligations by retaining shares of the Noble Common Stock that would otherwise be issuable on exercise by an optionee.

The Plan contains antidilution provisions applicable in the event of increase or decrease in the number of outstanding shares of Noble, effected without receipt of consideration therefor by Noble, through a stock dividend or any recapitalization or merger or otherwise in which Noble is the surviving corporation, resulting in a stock split-up, combination or exchange of shares of Noble, in which event appropriate adjustments will be made in the maximum number of shares subject to the Plan and the number of shares and option prices under then outstanding options.

The Noble Board of Directors may at any time amend, suspend or terminate the Plan except that it may not, without the approval of stockholders, (i) increase the maximum number of shares subject thereto, or (ii) reduce the option price for shares covered by options granted under the Plan below the price currently specified therein.

The Plan also provides that restricted stock may be awarded by the Committee to such eligible recipients as it may determine from time to time. The eligible recipients are those individuals who are eligible for option grants. Restricted stock is Noble Common Stock that may not be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of until the terms and conditions set by the Committee, which terms and conditions may include, among other things, the achievement of specific goals, have been satisfied (the "Restricted Period"). During the Restricted Period, unless specifically provided otherwise in accordance with the terms of the Plan, the recipient of restricted stock would be the record owner of such shares and have all the rights of a stockholder with respect to such shares, including the right to vote and the right to receive dividends or other distributions made or paid with respect to such shares.

The Plan provides that the Committee has the authority to cancel all or any portion of any outstanding restrictions prior to the expiration of the Restricted Period with respect to any or all of the shares of restricted stock awarded to an individual on such terms and conditions as the Committee may deem appropriate. If during the Restricted Period an individual's continuous employment terminates for any reason, any restricted stock remaining subject to restrictions will be forfeited by the individual and transferred at no cost to Noble; provided, however, that as noted above, the Committee has the authority to cancel any or all outstanding restrictions prior to the end of the Restricted Period, including the cancellation of restrictions in connection with certain types of termination of employment.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Generally, an optionee will not recognize income for federal income tax purposes upon the grant or the exercise of an incentive option, and any gain on the subsequent disposition of the option stock is treated as a capital gain provided the option stock is held for the required holding period, which is two years from the date

of grant of the option and one year from the transfer of the shares to the optionee. Noble will not be entitled to any federal income tax deduction upon the exercise of an incentive option.

If an optionee uses already owned shares of Noble Common Stock to pay the exercise price for shares under an incentive option, the resulting tax consequences will depend upon whether such already owned shares of Noble Common

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Stock are "statutory option stock," and, if so, whether such statutory option stock has been held by the optionee for the applicable holding period. If such stock is statutory option stock with respect to which the applicable holding period has been satisfied, no income will be recognized by the optionee upon the transfer of such stock in payment of the exercise price of an incentive option. If such stock is not statutory option stock, no income will be recognized by the optionee upon the transfer of such stock unless such stock is not substantially vested within the meaning of the Code (in which event it appears that the optionee will recognize ordinary income upon the transfer equal to the amount by which the fair market value of the transferred shares exceeds their basis). If the stock used to pay the exercise price of an incentive option is statutory option stock with respect to which the applicable holding period has not been satisfied, the transfer of such stock will be a disqualifying disposition which will result in the recognition of ordinary income by the optionee in an amount equal to the excess of the fair market value of the statutory option stock at the time the option covering such stock was exercised over the option price of such stock.

No income will be recognized by an optionee for federal income tax purposes upon the grant of a nonqualified option. Except as described below in the case of an "insider" subject to Section 16(b) of the Exchange Act who exercises an option less than six months from the date of grant, upon exercise of a nonqualified option, the optionee will recognize ordinary income in an amount equal to the excess of the fair market value of the option stock on the date of exercise over the option price of such stock. In the absence of an election pursuant to Section 83(b) of the Code, an "insider" subject to Section 16(b) of the Exchange Act who exercises a nonqualified option less than six months from the date the option was granted will recognize income on the date six months after the date of grant. An optionee subject to Section 16(b) of the Exchange Act can avoid such deferral by making an election, pursuant to Section 83(b) of the Code. Executive officers, directors and 10 percent stockholders of Noble will generally be deemed to be "insiders" for purposes of Section 16(b) of the Exchange Act.

Income recognized upon the exercise of nonqualified options will be considered compensation subject to withholding at the time such income is recognized, and therefore, Noble or an affiliate must make the necessary arrangements with the optionee to ensure that the amount of the tax required to be withheld is available for payment. Nonqualified options are designed to ensure that Noble will be entitled to a deduction equal to the amount of ordinary income recognized by the optionee at the time of such recognition by the optionee.

If an optionee uses already owned shares of Noble Common Stock to pay the exercise price for shares under a nonqualified option, the number of shares received pursuant to the option which is equal to the number of shares delivered in payment of the exercise price will be considered received in a nontaxable exchange, and the fair market value of the remaining shares received by the optionee upon such exercise will be taxable to the optionee as ordinary income.

The exercise of an SAR will result in the recognition of ordinary income by the optionee on the date of exercise in an amount equal to the amount of cash and the fair market value on that date of any shares acquired pursuant to the exercise. Noble will be allowed a federal income tax deduction equal to the amount of ordinary income recognized by the optionee at the time of such recognition by the optionee.

The recipient of restricted stock will recognize income for federal income tax purposes on restricted stock received by him at the first time the stock becomes freely transferable or not subject to a substantial risk of forfeiture, whichever occurs earlier. At such time, he will include in gross income the excess of the then fair market value of the restricted stock (determined without regard to any restriction other than a restriction which by its terms will never lapse) over the amount, if any, paid for such stock. However, a recipient of restricted stock can elect to include the restricted stock in his gross income for the taxable year in which he first receives such stock by making an election under Section 83(b) of the Code. Noble will be entitled to a

federal income tax deduction in the tax year in which the restricted stock becomes taxable to the recipient in an amount equal to the amount the recipient is required to include in income with respect to such shares.

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RECOMMENDATION AND REQUIRED AFFIRMATIVE VOTE

The affirmative vote of the holders of record of a majority of the outstanding shares of Noble Common Stock present in person or by proxy and entitled to vote thereon at the Noble Special Meeting is required in order to approve the Noble Plan Amendment. The Board of Directors of Noble unanimously recommends that its stockholders vote FOR the approval of the Noble Plan Amendment. If the Noble Plan Amendment is approved by the Noble Stockholders, it will be effected, regardless of whether the Merger Proposal is approved or the Noble Plan Amendment is adopted.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial statements give effect to the consummation of (i) the Merger only and (ii) both the Merger and the Triton Acquisition. The Merger is accounted for as a "pooling of interests" as if the Merger had been in effect for all periods presented while the Triton Acquisition is accounted for as a "purchase" as if the Triton Acquisition had occurred on January 1, 1993. The following unaudited pro forma combined financial statements do not purport to be indicative of the results that would actually have been obtained if the combinations had been in effect as of the dates indicated or that may be obtained in the future. The statements are based upon the consolidated financial statements of Noble, Triton and Chiles that have been incorporated by reference into this Joint Proxy Statement/Prospectus and should be read in conjunction with those financial statements and the related notes.

In developing the pro forma financial statements referred to above, the respective accounting policies and practices of Noble and Chiles were reviewed in order to determine the need for inclusion of conforming pooling adjustments. Certain differences exist between Noble and Chiles in the application of accounting policy for depreciation of fixed assets. The effects of these differences have been ascertained and, due to their immaterial impact on the financial statements of the combined companies, have not been accounted for as conforming adjustments in the financial statements as presented. Certain reclassifications, however, have been made to Chiles' historical amounts for consistency with the Noble presentation. The purchase adjustments for the Triton Acquisition are based on estimates and are subject to change based on further refinement.

NOBLE, CHILES AND TRITON

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
MARCH 31, 1994
(IN THOUSANDS)

<TABLE>
<CAPTION>

	NOBLE	CHILES	TRITON	PURCHASE ADJUSTMENTS	PRO FORMA COMBINED
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents........	$ 9,674	$ 38,253	$17,685	$ (4,085)(A)	$ 61,527
Restricted cash..................	1,789				1,789
Investment in marketable securities....................	34,873	31,251			66,124
Accounts receivable..............	41,748	15,905	22,666		80,319
Other current assets.............	37,937	1,826	16,527		56,290
Total current assets.....	126,021	87,235	56,878	(4,085)	266,049
PROPERTY AND EQUIPMENT					
Drilling equipment and facilities....................	621,689	150,455	4,846	(3,403)(B)	773,587
Other............................	13,995	1,954	4,216	(1,502)(B)	18,663

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	NOBLE	CHILES	TRITON	PURCHASE ADJUSTMENTS	PRO FORMA COMBINED
	635,684	152,409	9,062	(4,905)	792,250
Accumulated depreciation.........	(268,311)	(40,286)	(4,905)	4,905(B)	(308,597)
	367,373	112,123	4,157		483,653
OTHER ASSETS......................	13,483			336(C)	13,819
	$506,877	$199,358	$61,035	$ (3,749)	$763,521
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term debt..................	$	$	$ 1,566	$ 4,000(A)	$ 5,566
Current installments of long-term debt..........................	546				546
Accounts payable.................	7,569	4,881	13,355		25,805
Interest payable.................	5,612				5,612
Other current liabilities........	33,305	4,217	27,804		65,326
Total current liabilities...........	47,032	9,098	42,725	4,000	102,855
LONG-TERM DEBT.....................	127,138				127,138
OTHER LIABILITIES..................	1,108	293			1,401
MINORITY INTEREST..................	119		5,392		5,511
	175,397	9,391	48,117	4,000	236,905
SHAREHOLDERS' EQUITY					
Preferred stock..................	2,990	4,025			7,015
Common stock.....................	4,784	2,857(E)	12	63(A)(D)	7,716
Capital in excess of par value...	333,710	249,498(E)		5,094(A)	588,302
Cumulative translation adjustment....................	(2,641)				(2,641)
Retained earnings................	(5,613)	(66,413)	17,212	(17,212)(D)	(72,026)
Treasury stock, at cost..........	(1,750)		(4,306)	4,306(D)	(1,750)
	331,480	189,967	12,918	(7,749)	526,616
	$506,877	$199,358	$61,035	$ (3,749)	$763,521

</TABLE>

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(A) To record the purchase by Noble of all the outstanding shares of common stock of Triton.

(B) To record the effect of Noble accounting for the fixed assets of Triton at fair market value.

(C) To record goodwill of $336,000, which represents the excess of the purchase price over net assets acquired in the Triton Acquisition.

(D) To eliminate Triton's equity pursuant to the Triton Agreement.

(E) Reflects the change in par value for the conversion of Chiles Common Stock into Noble Common Stock.

NOBLE, CHILES AND TRITON

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THREE MONTHS ENDED MARCH 31, 1994
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

<S>	NOBLE <C>	CHILES <C>	TRITON <C>	PURCHASE ADJUSTMENTS <C>	PRO FORMA COMBINED <C>

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OPERATING REVENUES					
Contract drilling services.........	$57,865	$19,673	$	$	$ 77,538
Turnkey drilling services..........			22,458		22,458
Engineering and consulting services........................	309		1,536		1,845
Other revenue......................	1,074		2,194	(53)(A)	3,215
	59,248	19,673	26,188	(53)	105,056
OPERATING COSTS AND EXPENSES					
Contract drilling operations.......	38,001	11,719			49,720
Turnkey drilling operations........			18,989		18,989
Engineering and consulting operations......................	258		756		1,014
Other expense......................	601		1,376	(2)(A)	1,975
Depreciation and amortization......	7,161	2,337	236	9(B)	9,743
Selling, general and administrative..................	6,324	2,195	4,476	(1,070)(C)	11,925
Minority interest..................	(37)		493		456
	52,308	16,251	26,326	(1,063)	93,822
OPERATING INCOME (LOSS).............	6,940	3,422	(138)	1,010	11,234
OTHER INCOME (EXPENSE)					
Interest expense...................	(3,000)				(3,000)
Interest income....................	587	573	123		1,283
Other, net.........................	1,143		(2,361)	2,271(A)(D)	1,053
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES.....	5,670	3,995	(2,376)	3,281	10,570
INCOME TAX PROVISION................	(1,203)	(341)	(115)	(696)(E)	(2,355)
INCOME (LOSS) FROM CONTINUING OPERATIONS.........................	4,467	3,654	(2,491)	2,585	8,215
PREFERRED DIVIDENDS.................	(1,682)	(1,509)			(3,191)
INCOME (LOSS) FROM CONTINUING OPERATIONS APPLICABLE TO COMMON SHARES............................	$ 2,785	$ 2,145	$(2,491)	$ 2,585	$ 5,024
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE........	$ 0.06	$ 0.08(F)			$ 0.06
PRO FORMA WEIGHTED AVERAGE COMMON SHARES OUTSTANDING................	48,355	28,573(F)		752	77,680

</TABLE>

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(A) To reclassify the operating results of Triton's oil and gas activities, as these activities are not an ongoing business line of Noble.

(B) To record amortization of $9,000 for goodwill associated with the Triton Acquisition.

(C) To eliminate a nonrecurring stock options buyout effected by Triton in March 1994 in connection with the Triton Acquisition.

(D) To eliminate the write-off of $2,220,000 of notes receivable from a partnership that was not part of the Triton Acquisition.

(E) To record the incremental tax effect of the Triton Acquisition adjustments.

(F) Reflects the conversion of each share of Chiles Common Stock into 0.75 of a share of Noble Common Stock.

NOBLE, CHILES AND TRITON

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
DECEMBER 31, 1993
(IN THOUSANDS)

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<TABLE>
<CAPTION>

	NOBLE	CHILES	TRITON	PURCHASE ADJUSTMENTS	PRO FORMA COMBINED
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 4,896	$ 64,281	$15,030	$ (4,085)(A)	$ 80,122
Restricted cash	1,793				1,793
Investment in marketable securities	37,387	2,064			39,451
Accounts receivable	40,293	15,401	47,207		102,901
Other current assets	32,329	3,288	5,350		40,967
Total current assets	116,698	85,034	67,587	(4,085)	265,234
PROPERTY AND EQUIPMENT					
Drilling equipment and facilities	618,021	147,786	4,738	(3,237)(B)	767,308
Other	13,836	1,965	3,133	(2,380)(B)	16,554
	631,857	149,751	7,871	(5,617)	783,862
Accumulated depreciation	(261,630)	(37,949)	(5,352)	5,352(B)	(299,579)
	370,227	111,802	2,519	(265)	484,283
OTHER ASSETS	12,792		2,065	(1,638)(C)	13,219
	$ 499,717	$196,836	$72,171	$ (5,988)	$ 762,736
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term debt	$	$	$ 1,807	$ 4,000(A)	$ 5,807
Current installments of long-term debt	546				546
Accounts payable	9,110	4,549	33,309		46,968
Interest payable	3,548				3,548
Other current liabilities	29,085	4,359	14,999		48,443
Total current liabilities	42,289	8,908	50,115	4,000	105,312
LONG-TERM DEBT	127,144				127,144
OTHER LIABILITIES	1,175	111			1,286
MINORITY INTEREST	156		6,899		7,055
	170,764	9,019	57,014	4,000	240,797
SHAREHOLDERS' EQUITY					
Preferred stock	2,990	4,025			7,015
Common stock	4,780	2,857(E)	12	63(A)(D)	7,712
Capital in excess of par value	333,617	249,493(E)		5,094(A)	588,204
Cumulative translation adjustment	(2,286)				(2,286)
Retained earnings	(8,398)	(68,558)	19,451	(19,451)(D)	(76,956)
Treasury stock, at cost	(1,750)		(4,306)	4,306(D)	(1,750)
	328,953	187,817	15,157	(9,988)	521,939
	$ 499,717	$196,836	$72,171	$ (5,988)	$ 762,736

</TABLE>

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(A) To record the purchase by Noble of all the outstanding shares of common stock of Triton.

(B) To record the effect of Noble accounting for the fixed assets of Triton at fair market value.

(C) To record goodwill of $336,000, which represents the excess of the purchase price over net assets acquired and to eliminate other assets of $1,974,000 that were not included in the Triton Acquisition which primarily consists of an investment of $1,293,000 in a partnership, $198,000 receivable from a stockholder and $574,000 of deferred income taxes.

(D) To eliminate Triton's equity pursuant to the Triton Agreement.

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(E) Reflects the change in par value for the conversion of Chiles Common Stock into Noble Common Stock.

NOBLE, CHILES AND TRITON

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
DECEMBER 31, 1993
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	NOBLE	CHILES	TRITON	PURCHASE ADJUSTMENTS TRITON	PURCHASE ADJUSTMENTS WESTERN(F)	PRO FORMA COMBINED
OPERATING REVENUES						
Contract drilling services	$188,206	$69,589	$	$	$40,281	$298,076
Turnkey drilling services			110,003			110,003
Engineering and consulting services	2,292		7,812			10,104
Other revenue	4,444		6,019	(362)(A)		10,101
	194,942	69,589	123,834	(362)	40,281	428,284
OPERATING COSTS AND EXPENSES						
Contract drilling operations	123,817	50,048			28,000	201,865
Turnkey drilling operations			89,456			89,456
Engineering and consulting operations	2,083		3,518			5,601
Other expense	2,736		9,195	(59)(A)		11,872
Depreciation and amortization	20,472	8,414	1,170	34(B)	7,709	37,799
Selling, general and administrative	22,405	5,879	12,163		1,168	41,615
Minority interest	(232)		4,767			4,535
	171,281	64,341	120,269	(25)	36,877	392,743
OPERATING INCOME (LOSS)	23,661	5,248	3,565	(337)	3,404	35,541
OTHER INCOME (EXPENSE)						
Interest expense	(5,406)	(2,632)	(336)		(7,604)(G)	(15,978)
Interest income	1,628	869	293			2,790
Other, net	1,737	(690)	206	397(A)(C)		1,650
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	21,620	2,795	3,728	60	(4,200)	24,003
INCOME TAX PROVISION	(2,474)	(859)	(2,222)	(7)(D)	(1,249)	(6,811)
INCOME (LOSS) FROM CONTINUING OPERATIONS APPLICABLE TO COMMON SHARES	19,146	1,936	1,506	53	(5,449)	17,192
PREFERRED DIVIDENDS	(6,728)	(1,208)				(7,936)
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 12,418	$ 728	$ 1,506	$ 53	$(5,449)	$ 9,256
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE	$ 0.32	$ 0.03(E)				$ 0.12
PRO FORMA WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	38,366	28,557(E)		752	9,235(H)	76,910

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(A) To reclassify the operating results of Triton's oil and gas activities, as these activities are not an ongoing business line of Noble.

(B) To record amortization of $34,000 for goodwill associated with the Triton Acquisition.

(C) To eliminate the net loss of $94,000 from an unconsolidated partnership that was not part of the Triton Acquisition.

(D) To record the incremental tax effect of the Triton Acquisition adjustments.

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(E) Reflects the conversion of each share of Chiles Common Stock into 0.75 of a share of Noble Common Stock.

(F) Adjustments to include the effects of the Western Acquisition as if it occurred on January 1, 1993.

(G) Includes additional interest expense related to the Noble Senior Notes issued to finance a portion of the Western Acquisition.

(H) To record incremental weighted average shares outstanding related to the 1993 Noble Common Stock offering used to finance the remaining portion of the Western Acquisition.

NOBLE AND CHILES

UNAUDITED PRO FORMA COMBINED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
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<S>	MARCH 31, 1994 <C>	DECEMBER 31, 1993 <C>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 47,927	$ 69,177
Restricted cash	1,789	1,793
Investment in marketable securities	66,124	39,451
Accounts receivable	57,653	55,694
Other current assets	39,763	35,617
Total current assets	213,256	201,732
PROPERTY AND EQUIPMENT		
Drilling equipment and facilities	772,144	767,772
Other	15,949	13,836
	788,093	781,608
Accumulated depreciation	(308,597)	(299,579)
	479,496	482,029
OTHER ASSETS	13,483	12,792
	$ 706,235	$ 696,553
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	$	$
Current installments of long-term debt	546	546
Accounts payable	12,450	13,659
Interest payable	5,612	3,548
Other current liabilities	37,522	33,444
Total current liabilities	56,130	51,197
LONG-TERM DEBT	127,138	127,144
OTHER LIABILITIES	1,401	1,286
MINORITY INTEREST	119	156
	184,788	179,783
SHAREHOLDERS' EQUITY		
Preferred stock	7,015	7,015
Common stock(A)	7,641	7,637
Capital in excess of par value(A)	583,208	583,110
Cumulative translation adjustment	(2,641)	(2,286)
Retained earnings	(72,026)	(76,956)
Treasury stock, at cost	(1,750)	(1,750)

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	521,447	516,770
	$ 706,235	$ 696,553

</TABLE>

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(A) Reflects the change in par value for the conversion of Chiles Common Stock into Noble Common Stock.

NOBLE AND CHILES

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,		
	1994	1993	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING REVENUES					
Contract drilling services..............	$77,538	$63,120	$257,795	$175,610	$217,065
Turnkey drilling services...............					
Engineering and consulting services.....	309	869	2,292	3,263	8,286
Other revenue...........................	1,074	1,334	4,444	5,293	4,800
	78,921	65,323	264,531	184,166	230,151
OPERATING COSTS AND EXPENSES					
Contract drilling operations............	49,720	47,511	173,865	128,364	169,322
Turnkey drilling operations.............					
Engineering and consulting operations...	258	910	2,083	3,559	7,732
Other expense...........................	601	678	2,736	3,329	2,436
Depreciation and amortization...........	9,498	6,630	28,886	27,248	30,052
Selling, general and administrative.....	8,519	7,319	28,284	30,716	32,684
Minority interest.......................	(37)	17	(232)	89	78
Restructuring charges and rig write downs................................				21,120	11,134
	68,559	63,065	235,622	214,425	253,438
OPERATING INCOME (LOSS)..................	10,362	2,258	28,909	(30,259)	(23,287)
OTHER INCOME (EXPENSE)					
Interest expense........................	(3,000)	(1,819)	(8,038)	(13,274)	(20,411)
Interest income.........................	1,160	556	2,497	3,276	2,155
Other, net..............................	1,143	(234)	1,047	3,675	4,786
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES.....................	9,665	761	24,415	(36,582)	(36,757)
INCOME TAX PROVISION......................	(1,544)	(1,094)	(3,333)	(3,396)	(2,417)
INCOME (LOSS) FROM CONTINUING OPERATIONS.............................	8,121	(333)	21,082	(39,978)	(39,174)
PREFERRED DIVIDENDS......................	(3,191)	(1,682)	(7,936)	(6,728)	(721)
INCOME (LOSS) FROM CONTINUING OPERATIONS APPLICABLE TO COMMON SHARES.............	$ 4,930	$(2,015)	$ 13,146	$(46,706)	$(39,895)
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE(A).....................	$ 0.06	$ (0.03)	$ 0.20	$ (0.98)	$ (0.88)
PRO FORMA WEIGHTED AVERAGE COMMON SHARES OUTSTANDING(A)..........................	76,928	63,252	66,923	47,762	45,554

</TABLE>

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(A) Reflects the conversion of each share of Chiles Common Stock into 0.75 of a

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share of Noble Common Stock.

DESCRIPTION OF NOBLE CAPITAL STOCK

Noble has 90,000,000 authorized shares of stock, consisting of (i) 75,000,000 shares of Noble Common Stock and (ii) 15,000,000 shares of preferred stock having a par value of $1.00 per share. As of   , 1994, there were 48,390,873 shares of Noble Common Stock outstanding. There is one series of preferred stock designated, of which there are 2,990,000 shares of $2.25 Noble Preferred Stock outstanding. In addition, as of May 31, 1994, Noble had reserved for issuance (i) 3,066,167 shares of Noble Common Stock under Noble's employee stock option plans, (ii) 325,000 shares of Noble Common Stock under Noble's non-employee director stock option plan, (iii) 160,000 shares of Noble Common Stock under certain non-employee director stock option agreements and (iv) 16,204,185 shares of Noble Common Stock on conversion of the outstanding $2.25 Noble Preferred Stock. In addition, an indeterminate number of shares of Noble Common Stock (of up to at least 254,551 shares) have been reserved for issuance in connection with certain contingent obligations under the Triton Agreement.

If the Noble Charter Amendment is adopted by the stockholders of Noble at the Noble Special Meeting, upon the filing of the amendment with the Delaware Secretary of State, Noble will have 215,000,000 authorized shares of stock, consisting of (i) 200,000,000 shares of Noble Common Stock and (ii) 15,000,000 shares of preferred stock. If the Merger Proposal is also approved at the Noble Special Meeting and the Merger is consummated, up to 4,025,000 shares of preferred stock of Noble will be designated and issued pursuant to the Merger as $1.50 Noble Preferred Stock. See "The Merger" and "Proposal to Adopt Noble Charter Amendment."

The following summary description of the capital stock of Noble is qualified in its entirety by reference to the Restated Certificate of Incorporation of Noble, as amended (including the Certificate of Designations governing the $2.25 Noble Preferred Stock, the "Noble Certificate of Incorporation"), and the form of Certificate of Designations which will govern the $1.50 Noble Preferred Stock, copies of which have been filed or incorporated by reference as exhibits to the Registration Statement.

NOBLE COMMON STOCK

Holders of Noble Common Stock are entitled to one vote per share on each matter to be voted upon by the stockholders of Noble. Dividends may be paid to the holders of Noble Common Stock when, as and if declared by the Noble Board of Directors out of funds legally available for such purpose, subject to any preferential cumulative dividend rights of any preferred stock of Noble, including the $2.25 Noble Preferred Stock and, if the Merger is consummated, the $1.50 Noble Preferred Stock, outstanding at the time. Holders of Noble Common Stock have no conversion, redemption, cumulative voting or preemptive rights. In the event of any liquidation, dissolution or winding up of Noble, after payment or provision for payment of the debts and other liabilities of Noble and the preferential amounts to which the holders of the $2.25 Noble Preferred Stock and, if the Merger is consummated, the $1.50 Noble Preferred Stock, or any other series or class of Noble's stock hereafter issued that ranks senior as to liquidation rights to the Noble Common Stock are entitled, the holders of Noble Common Stock will be entitled to share ratably in any remaining assets of Noble.

All outstanding shares of Noble Common Stock are, and the shares of Noble Common Stock to be issued pursuant to the Merger Agreement and upon conversion of the $1.50 Noble Preferred Stock will be, when issued, duly and validly issued, fully paid and nonassessable.

The Noble Common Stock is quoted in the NASDAQ National Market System under the symbol "NDCO."

The transfer agent and registrar for the Noble Common Stock is Liberty Bank and Trust Company of Oklahoma City, N.A.

$2.25 NOBLE PREFERRED STOCK

The Board of Directors of Noble is authorized by the Noble Certificate of Incorporation to issue preferred stock in one or more series and to fix for each such series such designation, voting powers, if any, preferences

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and relative, participating, optional or other special rights, and such qualifications, limitations and restrictions thereof, as are stated and adopted by resolution of the Board without further stockholder approval. No shares of preferred stock other than the $2.25 Noble Preferred Stock are currently issued or outstanding.

Dividends. Holders of shares of the $2.25 Noble Preferred Stock are entitled to receive, when, as and if declared by the Noble Board of Directors out of funds at the time legally available therefor, cash dividends at an annual rate of $2.25 per share, and no more, payable quarterly. The $2.25 Noble Preferred Stock has priority as to dividends over the Noble Common Stock, and no dividend (other than dividends payable solely in Noble Common Stock) may be declared, paid or set apart for payment unless all accrued and unpaid dividends on the $2.25 Noble Preferred Stock have been paid or declared and set apart for payment. The $2.25 Noble Preferred Stock will rank on a parity with the $1.50 Noble Preferred Stock and no dividend on the $2.25 Noble Preferred Stock may be declared, paid or set apart for payment unless full cumulative dividends on the $1.50 Noble Preferred Stock have been or are contemporaneously paid or declared and set apart for payment. See "-- Restrictions on Dividends."

Liquidation Rights. In the event of any liquidation, dissolution or winding up of Noble, holders of shares of the $2.25 Noble Preferred Stock are entitled to receive the liquidation preference of $25.00 per share, plus an amount equal to any accrued and unpaid dividends to the payment date, and no more, before any payment or distribution is made to the holders of Noble Common Stock. After payment in full of the liquidation preference of the shares of $2.25 Noble Preferred Stock, the holders of such shares will not be entitled to any further participation in any distribution of assets by Noble. The $2.25 Noble Preferred Stock will rank on a parity with the $1.50 Noble Preferred Stock and no payment on account of any liquidation, dissolution or winding up of Noble may be made to the holders of the $2.25 Noble Preferred Stock unless a proportionate amount is paid at the same time to the holders of the $1.50 Noble Preferred Stock.

Voting Rights. The holders of the $2.25 Noble Preferred Stock have no voting rights except as described below or as required by law. In exercising any such vote, each outstanding share of the $2.25 Noble Preferred Stock is entitled to one vote.

Whenever dividends on the $2.25 Noble Preferred Stock or the $1.50 Noble Preferred Stock have not been paid in an aggregate amount equal to at least six quarterly dividends on such shares (whether or not consecutive), the number of directors of Noble will be increased by two, and the holders of the $2.25 Noble Preferred Stock, voting separately as a class together with the holders of the $1.50 Noble Preferred Stock, will be entitled to elect such two additional directors to the Board of Directors at any meeting of stockholders of Noble at which directors are to be elected held during the period such dividends remain in arrears. Such voting right will terminate when all such dividends accrued and in default have been paid in full or set apart for payment. The term of office of all directors so elected will terminate immediately upon such payment or setting apart for payment.

In addition, so long as any of the $2.25 Noble Preferred Stock is outstanding, Noble shall not, without the affirmative vote or consent of the holders of at least 66 2/3 percent of all outstanding shares of the $2.25 Noble Preferred Stock, voting separately as a class, (i) amend, alter or repeal any provision of the Certificate of Incorporation or the Bylaws of Noble so as to affect adversely the relative rights, preferences, qualifications, limitations or restrictions of the $2.25 Noble Preferred Stock, (ii) authorize or issue, or increase the authorized amount of, any additional class or series of stock, or any security convertible into stock of such class or series, ranking senior to the $2.25 Noble Preferred Stock as to dividends or upon liquidation, dissolution or winding up of Noble or (iii) effect any reclassification of the $2.25 Noble Preferred Stock.

Redemption at Option of Noble. The $2.25 Noble Preferred Stock may not be redeemed prior to December 31, 1994. The $2.25 Noble Preferred Stock otherwise is redeemable for cash, in whole or in part, at any time at the option of Noble,

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if redeemed during the 12-month period beginning December 31 of the year specified below, at the following redemption prices:

YEAR	PRICE PER SHARE
1994	$26.575
1995	26.350
1996	26.125
1997	25.900
1998	$25.675
1999	25.450
2000	25.225

and thereafter at $25.00 per share, plus in each case accrued and unpaid dividends to the redemption date.

There is no mandatory redemption or sinking fund obligation with respect to the $2.25 Noble Preferred Stock. In the event that Noble has failed to pay accrued and unpaid dividends on the $2.25 Noble Preferred Stock, it may not redeem any of the then outstanding shares of the $2.25 Noble Preferred Stock until all such accrued and unpaid dividends and (except with respect to shares to be redeemed) the then current quarterly dividend have been paid in full.

Conversion Rights. The holder of any shares of the $2.25 Noble Preferred Stock has the right, at the holder's option, to convert any or all such shares into Noble Common Stock at any time at a rate (subject to adjustment in the case of certain dilutive events) of 5.41946 shares of Noble Common Stock for each share of $2.25 Noble Preferred Stock (equivalent to a conversion price of $4.613 per share of Noble Common Stock).

Special Conversion Rights. Upon the occurrence of certain types of significant corporate or ownership transactions, the holder of any shares of the $2.25 Noble Preferred Stock will have a special conversion right designed to provide limited loss protection, subject to the right of Noble to pay cash in lieu of conversion securities. Such protection is accomplished by effectively reducing the conversion price upon any such occurrence, but only to the extent such reduction does not result in a conversion price that is less than $2.5834 per share of Noble Common Stock (subject to adjustment in the case of certain dilutive events).

Exchange Provisions. The $2.25 Noble Preferred Stock may be exchanged at the option of Noble, in whole but not in part, on any dividend payment date commencing December 31, 1993, for convertible debentures of Noble at a rate of $25.00 principal amount of debentures for each share of $2.25 Noble Preferred Stock, provided that all accrued and unpaid dividends to the date of exchange have been paid and certain other conditions have been met. The debentures would be unsecured, subordinated obligations of Noble, would be limited in aggregate principal amount to the aggregate liquidation preference of the $2.25 Noble Preferred Stock for which the debentures are exchanged, and would mature on December 31, 2016. Noble would pay interest on the debentures semiannually following the issue thereof at the rate of nine percent per annum. The holder of any debenture would have the right, at the holder's option, to convert the principal amount thereof (or any portion thereof that is an integral multiple of $25.00) into shares of Noble Common Stock at any time prior to maturity.

The $2.25 Noble Preferred Stock is quoted in the NASDAQ National Market System under the symbol "NDCOP." The transfer agent, conversion agent and registrar for the $2.25 Noble Preferred Stock is Liberty Bank and Trust Company of Oklahoma City, N.A.

$1.50 NOBLE PREFERRED STOCK

Upon consummation of the Merger, Noble will issue a new series of preferred stock consisting of up to 4,025,000 shares and designated as the $1.50 Convertible Preferred Stock (referred to in this Joint Proxy Statement/Prospectus as the "$1.50 Noble Preferred Stock"). The rights, privileges, preferences and voting power of the $1.50 Noble Preferred Stock will

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be substantially equivalent to those of the Chiles Preferred Stock. All shares of $1.50 Noble Preferred Stock to be issued pursuant to the Merger Agreement will be, when issued, duly and validly issued, fully paid and nonassessable.

The holders of the $1.50 Noble Preferred Stock will have no preemptive rights with respect to any shares of capital stock of Noble or any other securities of Noble convertible into or carrying rights or options to purchase any such shares. The $1.50 Noble Preferred Stock will not be subject to any sinking fund or other obligation of Noble to redeem or retire the $1.50 Noble Preferred Stock. Application will be made to list the $1.50 Noble Preferred Stock in the NASDAQ National Market System. The transfer agent, conversion agent and registrar for the $1.50 Noble Preferred Stock will be Liberty Bank and Trust Company of Oklahoma City, N.A.

Ranking. The $1.50 Noble Preferred Stock will rank senior to the Noble Common Stock, and on a parity with the $2.25 Noble Preferred Stock, with respect to the payment of dividends and upon liquidation, dissolution or winding up of Noble.

Dividends. Holders of the $1.50 Noble Preferred Stock will be entitled to receive, when, as and if declared by the Board of Directors of Noble, out of the funds of Noble legally available therefor, annual cash dividends at the rate of $1.50 per share, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing September 30, 1994, or if such day is not a business day, the next succeeding business day. Dividends on the $1.50 Noble Preferred Stock will be cumulative from the first day of the quarterly dividend period with respect to the Chiles Preferred Stock during which the Effective Time occurs, and will be payable to holders of record as they appear on the stock books of Noble on such record dates, which shall be not more than 60 days nor less than 10 days preceding the payment dates, as shall be fixed by the Noble Board of Directors, provided that holders of shares of $1.50 Noble Preferred Stock called for redemption on a redemption date falling between a dividend payment record date and the dividend payment shall, in lieu of receiving such dividend on the dividend payment date fixed therefor, receive such dividend payment together with all other accrued and unpaid dividends on the date fixed for redemption (unless such holders convert such shares in accordance with the Certificate of Designation). Dividends payable per share of $1.50 Noble Preferred Stock for each quarterly dividend period will be computed by dividing the annual dividend amount by four. The amount of dividends payable for the initial dividend period and for any period shorter or longer than a full quarterly dividend period will be computed on the basis of a 360-day year of twelve 30-day months. Holders of the $1.50 Noble Preferred Stock will not be entitled to any dividends, whether payable in cash, property or securities, in excess of the full cumulative dividends, as described above. No interest, or sum of money in lieu of interest, will be payable in respect of any accrued and unpaid dividends.

If dividends are not paid in full, or declared in full and sums set apart for the payment thereof, upon the $1.50 Noble Preferred Stock and upon any other capital stock ranking on a parity as to dividends with the $1.50 Noble Preferred Stock (including the $2.25 Noble Preferred Stock), all dividends declared upon shares of $1.50 Noble Preferred Stock and such other parity stock will be declared and paid pro rata so that in all cases the amount of dividends declared per share on the $1.50 Noble Preferred Stock and such other parity stock will bear to each other the same ratio that accrued and unpaid dividends per share on the shares of $1.50 Noble Preferred Stock and such other parity stock bear to each other. Except as set forth above, unless full cumulative dividends on all outstanding shares of the $1.50 Noble Preferred Stock have been paid or declared and sums set aside for the payment thereof, dividends (other than dividends paid in Noble Common Stock or other stock ranking junior to the $1.50 Noble Preferred Stock as to dividends and upon liquidation, dissolution or winding up) may not be declared or paid or set apart for payment, and other distributions may not be made upon the Noble Common Stock or on any other stock of Noble ranking junior to the $1.50 Noble Preferred Stock as to dividends, or upon liquidation, dissolution or winding up, nor may any Noble Common Stock or any other stock of Noble ranking junior to or on a parity with the $1.50 Noble Preferred Stock as to dividends or upon liquidation, dissolution or winding up be redeemed, purchased or otherwise acquired for any consideration by Noble (except by conversion into or exchange for stock of Noble ranking junior to the $1.50 Noble Preferred Stock as to dividends and upon liquidation, dissolution or winding up).

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Under Delaware law, Noble may declare and pay dividends on its capital stock only out of surplus, as defined in the DGCL or, in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Surplus under the DGCL is generally defined to mean the excess, at any given time, of the net assets of a corporation over the amount of the corporation's capital.

No dividends or distributions may be declared, paid or made if Noble is or would be rendered insolvent by virtue of such dividend or distribution, or if such declaration, payment or distribution would contravene the Certificate of Incorporation. See "-- Restrictions on Dividends."

Liquidation Rights. In the event of any liquidation, dissolution or winding up of Noble, whether voluntary or involuntary, the holders of shares of $1.50 Noble Preferred Stock will be entitled to receive out of the assets of Noble available for distribution to stockholders the liquidation preference of $25.00 per share plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid to the payment date before any payment or distribution of assets is made to holders of Noble Common Stock or of any other class of stock of Noble ranking junior to the $1.50 Noble Preferred Stock upon liquidation, dissolution or winding up. If upon any liquidation, dissolution or winding up of Noble, the amounts payable with respect to the $1.50 Noble Preferred Stock and any other capital stock ranking as to any such distribution on a parity with the $1.50 Noble Preferred Stock are not paid in full, the holders of the $1.50 Noble Preferred Stock and of such other parity stock will share ratably in any such distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidation preference to which they are entitled, the holders of shares of $1.50 Noble Preferred Stock will not be entitled to any further participation in any distribution of assets by Noble. Neither a consolidation or merger of Noble with another corporation nor a sale, lease, exchange or transfer of all or part of Noble's assets for cash, securities or other property will be considered a liquidation, dissolution or winding up of Noble for these purposes.

Conversion Rights. Shares of the $1.50 Noble Preferred Stock will be convertible at any time at the option of the holder thereof at an initial conversion rate of 2.4446 shares of Noble Common Stock for each share of $1.50 Noble Preferred Stock (equivalent to a conversion price of $10.23 per share of Noble Common Stock), subject to adjustment as described below, except that, if shares of $1.50 Noble Preferred Stock are called for redemption, the conversion right will terminate at the close of business on the date fixed for redemption. No fractional shares or securities representing fractional shares of Noble Common Stock will be issued upon conversion; any fractional shares resulting from conversion will be paid in cash based upon the last reported sales price of the Noble Common Stock at the close of business on the first trading day preceding the date of conversion.

In case Noble shall be a party to any transaction (including, without limitation, a merger, consolidation, statutory share exchange, sale of all or substantially all of its assets or recapitalization of the Noble Common Stock), in each case as a result of which shares of Noble Common Stock shall be converted into the right to receive stock, securities or other property (including cash or any combination thereof), each share of $1.50 Noble Preferred Stock remaining outstanding shall thereafter be convertible into the kind and amount of shares of stock and other securities and property receivable (including cash) upon the consummation of such transaction by a holder of that number of shares or fraction thereof of Noble Common Stock into which such share of $1.50 Noble Preferred Stock was convertible immediately prior to such transaction.

The conversion price is subject to adjustment upon certain events, including: (i) the issuance of Noble Common Stock as a dividend or distribution with respect to the outstanding Noble Common Stock, subdivisions, splits or combinations of Noble Common Stock, or the issuance of any shares of capital stock by reclassification of the Noble Common Stock; (ii) the issuance to all holders of Noble Common Stock of rights or warrants to subscribe for or purchase Noble Common Stock, in each case at less than the then current market price per share of Noble Common Stock; and (iii) the payment of a dividend or making of a distribution to holders of Noble Common Stock of shares of capital stock of Noble or its subsidiaries (other than Noble Common Stock) or of evidences of its indebtedness, or of assets, including securities, but excluding those rights,

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warrants, dividends and distributions referred to above, dividends and distributions in connection with the liquidation, dissolution or winding up of Noble and regular periodic cash dividends payable out of surplus.

No adjustment in the conversion price will be required to be made in any case until cumulative adjustments amount to one percent or more of the conversion price as last adjusted, but any such adjustment that would otherwise be required to be made shall be carried forward and taken into account in any subsequent adjustment. Noble reserves the right, to the extent permitted by law, to make such reductions in the

conversion price in addition to those required in the foregoing provisions as it, in its sole discretion, shall determine to be advisable in order that certain stock-related distributions hereafter made by Noble to its stockholders shall not be taxable to such stockholders.

Holders of shares of $1.50 Noble Preferred Stock at the close of business on a dividend payment record date shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date (except that holders of shares called for redemption on a redemption date falling between such dividend payment record date and the dividend payment date shall, in lieu of receiving such dividend on the dividend payment date fixed therefor, receive such dividend payment together with all other accrued and unpaid dividends on the date fixed for redemption, unless such holders convert such shares in accordance with the Certificate of Designations) notwithstanding the conversion thereof following such dividend payment record date and prior to such dividend payment date. However, shares of $1.50 Noble Preferred Stock surrendered for conversion during the period between the close of business on any dividend payment record date and the opening of business on the corresponding dividend payment date (except shares of $1.50 Noble Preferred Stock called for redemption on a redemption date during such period) must be accompanied by payment of an amount equal to the dividend payment with respect to such shares of $1.50 Noble Preferred Stock presented for conversion on such dividend payment date. A holder of shares of $1.50 Noble Preferred Stock on a dividend payment record date who (or whose transferee) surrenders any such shares for conversion into shares of Noble Common Stock on the corresponding dividend payment date will receive the dividend payable by Noble on such shares of $1.50 Noble Preferred Stock on such date, and the converting holder need not include payment in the amount of such dividend upon surrender of shares of $1.50 Noble Preferred Stock for conversion on the dividend payment date. Except as provided above, Noble shall make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares of $1.50 Noble Preferred Stock or for dividends on the shares of Noble Common Stock issued upon such conversion.

Noble will endeavor to comply with all federal and state securities laws regulating the offer and delivery of shares of Noble Common Stock upon conversion of the $1.50 Noble Preferred Stock and will endeavor to have approved for listing, in the NASDAQ National Market System or on any national securities exchange upon which the Noble Common Stock is listed, the shares of Noble Common Stock deliverable upon conversion of the $1.50 Noble Preferred Stock.

Right of Redemption of Noble. Shares of the $1.50 Noble Preferred Stock will not be redeemable prior to December 31, 1996. The shares of $1.50 Noble Preferred Stock will be redeemable at the option of Noble, in whole or in part, at any time or from time to time, out of funds legally available therefor, on or after December 31, 1996, on not less than 30 nor more than 60 days' notice by first-class mail at the redemption prices per share of $1.50 Noble Preferred Stock set forth below during the 12-month periods beginning on December 31 of the years shown below, plus in each case an amount equal to accrued and unpaid dividends, if any, to (and including) the redemption date, whether or not earned or declared (the "Redemption Price").
<TABLE>
<CAPTION>

YEAR	PRICE PER SHARE
1996....................	$ 26.05
1997....................	25.90
1998....................	25.75
1999....................	25.60

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YEAR	PRICE PER SHARE
2000	$ 25.45
2001	25.30
2002	25.15
2003 and thereafter	25.00

If fewer than all of the outstanding shares of $1.50 Noble Preferred Stock are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata or in some other equitable manner determined by the Board of Directors of Noble in its sole discretion. There is no mandatory redemption or sinking fund obligation with respect to the $1.50 Noble Preferred Stock. In the event that Noble has failed to pay accrued and unpaid dividends on the $1.50 Noble Preferred Stock, it may not redeem less than all of the then outstanding shares of the $1.50 Noble Preferred Stock until all such accrued and unpaid dividends and the then current quarterly dividends have been paid in full. After the date fixed for redemption, unless Noble is in default in providing money for the payment of the Redemption Price, dividends shall cease to accrue on the $1.50 Noble Preferred Stock called for redemption, such shares shall no longer be deemed to be outstanding and all rights of the

holders of such shares as stockholders of Noble shall cease, except the right to receive the moneys payable upon such redemption, without interest thereon, upon surrender of the certificates evidencing such shares.

Voting Rights. The holders of the $1.50 Noble Preferred Stock will have no voting rights, except as described below or as required by law. In exercising any such vote, each outstanding share of $1.50 Noble Preferred Stock will be entitled to one vote, excluding shares held by Noble or any entity controlled by Noble, which shares shall have no voting rights.

Whenever dividends on the $1.50 Noble Preferred Stock have not been paid in an aggregate amount equal to at least six quarterly dividends on such shares (whether or not consecutive), the holders of the $1.50 Noble Preferred Stock (voting separately as a class with the holders of any stock ranking on a parity as to dividends with the $1.50 Noble Preferred Stock on which like voting rights have been conferred and are exercisable, including the $2.25 Noble Preferred Stock) will be entitled to elect two directors to the Board of Directors either by written consent or at any meeting of stockholders of Noble at which directors are to be elected held during the period such dividends remain in arrears. Such voting rights will terminate when all such dividends accrued and in default have been paid in full or declared and funds set apart for payment in full. The term of office of all directors so elected will terminate immediately upon such payment or setting apart for payment.

In addition, without the affirmative vote or consent of the holders of at least 66 2/3 percent of shares of the $1.50 Noble Preferred Stock then outstanding, voting separately as a class, Noble may not (i) authorize, create, issue or increase the authorized number of shares of any class or classes or series of stock, or any security convertible into stock of such class or series, ranking prior to the $1.50 Noble Preferred Stock either as to dividends or upon liquidation, dissolution or winding up of Noble, (ii) amend, alter or repeal (whether by merger, consolidation or otherwise) any of the provisions of the Certificate of Incorporation (including the Certificate of Designation) of Noble so as to affect adversely any right, preference, privilege or voting power of the $1.50 Noble Preferred Stock or the holders thereof or (iii) authorize any reclassification of the $1.50 Noble Preferred Stock. Without the affirmative vote or consent of holders of at least 50 percent of the shares of $1.50 Noble Preferred Stock then outstanding, Noble may not increase the amount of authorized $1.50 Noble Preferred Stock or create additional classes of stock or issue series of capital stock ranking on a parity with the $1.50 Noble Preferred Stock with respect to the payment of dividends or upon liquidation, dissolution and winding up of Noble. However, Noble may increase the amount of authorized preferred stock or create additional classes of stock or issue series of capital stock ranking junior to the $1.50 Noble Preferred Stock with respect to the payment of dividends and upon liquidation, dissolution and winding up of Noble without the consent of any holder of $1.50 Noble Preferred Stock.

Special Conversion Rights. The $1.50 Noble Preferred Stock has a special

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conversion right that becomes effective upon the occurrence of certain types of significant transactions affecting ownership or control of Noble or the market for the Noble Common Stock. The purpose of the special conversion right is to provide (subject to certain exceptions) partial loss protection upon the occurrence of a Change of Control or a Fundamental Change (each as defined below) at a time when the Market Value (as defined below) of the Noble Common Stock issuable upon conversion by a holder at the prevailing conversion price is less than the amount to which the holder would be entitled upon redemption. In such situations, the special conversion right would, for a limited period, reduce the then prevailing conversion price to the higher of the Market Value of the Noble Common Stock or a minimum conversion price of $6.53 per share of Noble Common Stock, subject to certain adjustments (and increase the equivalent conversion ratio accordingly). Consequently, to the extent that the Market Value of the Noble Common Stock is less than the minimum conversion price, a holder will have a lesser degree of protection from loss upon exercise of a special conversion right.

The special conversion right is intended to provide limited loss protection to investors in certain circumstances, while not giving holders a veto power over significant transactions affecting ownership or control of Noble. Although the special conversion right may render more costly or otherwise inhibit certain proposed transactions, its purpose is not to inhibit or discourage takeovers or other business combinations.

Each holder of the $1.50 Noble Preferred Stock will be entitled to a special conversion right if a Change of Control or Fundamental Change occurs. A Change of Control will occur if a person or group acquires more

than 55 percent of the Noble Common Stock. A Fundamental Change is, generally, a sale of all or substantially all of Noble's assets or a transaction in which at least 55 percent of the Noble Common Stock is transferred for, or is converted into, any other asset. However, if the majority of the value of the consideration received in a transaction by holders of Noble Common Stock is Marketable Stock (as defined below) or if the holders of Noble Common Stock hold a majority of the Voting Stock (as defined below) of Noble's successor, the transaction will not be a Fundamental Change, and holders of the $1.50 Noble Preferred Stock will not have special conversion rights as the result of that transaction.

A special conversion right will permit a holder of $1.50 Noble Preferred Stock, at the holder's option during the 30-day period described in the following paragraph, to convert all, but not less than all, the holder's $1.50 Noble Preferred Stock at a conversion price equal to the Special Conversion Price, as defined below. A holder exercising a special conversion right will receive Noble Common Stock if a Change of Control occurs and, if a Fundamental Change occurs, will receive the same consideration received for the number of shares of Noble Common Stock into which the holder's $1.50 Noble Preferred Stock would have been convertible at the Special Conversion Price. In either case, however, Noble or its successor may, at its option, elect to pay to the holder cash equal to the Market Value of the number of shares of Noble Common Stock into which the holder's $1.50 Noble Preferred Stock is convertible at the Special Conversion Price.

Noble will mail to each registered holder of $1.50 Noble Preferred Stock a notice setting forth details of any special conversion right occasioned by a Change of Control or Fundamental Change within 30 days after the event occurs. A special conversion right may be exercised only within the 30-day period after the notice is mailed and will expire at the end of that period. Exercise of a special conversion right, to the extent permitted by law, is irrevocable, and all $1.50 Noble Preferred Stock surrendered for conversion will be converted at the end of the 30-day period mentioned in the preceding sentence. Noble, in taking any action in connection with any Change of Control, Fundamental Change or related special conversion right, will undertake to comply with all applicable federal securities regulations including, to the extent applicable, Rules 13e-4 and 14e-1 under the Exchange Act.

The $1.50 Noble Preferred Stock that is not converted pursuant to a special conversion right will continue to be convertible pursuant to the general conversion rights described under the caption "Conversion Rights" above.

The special conversion right is not intended to, and does not, protect holders of $1.50 Noble Preferred Stock in all circumstances that might affect

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ownership or control of Noble or the market for the Noble Common Stock or that might otherwise adversely affect the value of an investment in the $1.50 Noble Preferred Stock. The ability to control Noble may be obtained by a person even if that person does not, as is required to constitute a Change of Control, acquire 55 percent of Noble's voting stock. Noble and the market for the Noble Common Stock may be affected by various transactions that do not constitute a Fundamental Change. In particular, transactions involving the transfer or conversion of less than 55 percent of the Noble Common Stock may have a significant effect on Noble and the market for the Noble Common Stock, as could transactions in which holders of Noble Common Stock receive primarily Marketable Stock or continue to own a majority of the Voting Stock of the successor to Noble. In addition, if the special conversion right does arise as the result of a Fundamental Change, the special conversion right will allow a holder exercising a special conversion right to receive the same type of consideration received by the holders of Noble Common Stock and, thus, the degree of protection afforded by the special conversion right may be affected by the type of consideration received.

As used herein, a "Change of Control" with respect to Noble shall be deemed to have occurred at the first time after the first issuance of any $1.50 Noble Preferred Stock that any person (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act), including a group (within the meaning of Rule 13d-5 under the Exchange Act), together with any of its Affiliates or Associates (as defined below), files or becomes obligated to file a report (or any amendment or supplement thereto) on Schedule 13D or 14D-1 pursuant to the Exchange Act disclosing that such person has become the beneficial owner of either (i) more than 55 percent of the shares of Noble Common Stock then outstanding or (ii) securities representing more than 55 percent of the combined voting power of the Voting Stock (as defined below) then outstanding; provided that

a Change of Control will not be deemed to have occurred with respect to any transaction that constitutes a Fundamental Change. An "Affiliate" of a specified person is a person that directly or indirectly controls, or is controlled by or is under common control with, the person specified. An "Associate" of a person means (a) any corporation or organization, other than Noble or any subsidiary of Noble, of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities, (b) any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity and (c) any relative or spouse of the person, or any relative of the spouse, who has the same home as the person or who is a director or officer of the person or any of its parents or subsidiaries. As used herein, a person shall be deemed to have "beneficial ownership" with respect to, and shall be deemed to "beneficially own," any securities of Noble in accordance with Section 13 of the Exchange Act and the rules and regulations (including Rule 13d-3, Rule 13d-5 and any successor rules) promulgated by the Commission thereunder; provided that a person shall be deemed to have beneficial ownership of all securities that any such person has a right to acquire whether such right is exercisable immediately or only after the passage of time and without regard to the 60-day limitation referred to in Rule 13d-3.

As used herein, a "Fundamental Change" with respect to Noble means (i) the occurrence of any transaction or event in connection with which 55 percent or more of the outstanding Noble Common Stock is exchanged for, converted into, acquired for or constitutes solely the right to receive cash, securities, property or other assets (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or otherwise) or (ii) the conveyance, sale, lease, assignment, transfer or other disposal of all or substantially all of Noble's property, business or assets; provided, however, that a Fundamental Change will not be deemed to have occurred with respect to either of the following transactions or events: (a) any transaction or event in which more than 50 percent (by value as determined in good faith by the Board of Directors) of the consideration received by holders of Noble Common Stock consists of Marketable Stock (as defined below) or (b) any consolidation or merger of Noble in which the holders of Noble Common Stock immediately prior to such transaction own, directly or indirectly, (1) 50 percent or more of the common stock of the sole surviving corporation (or of the ultimate parent of such sole surviving corporation) outstanding at the time immediately after such consolidation or merger and (2) securities representing 50 percent or more of the combined voting power of the surviving corporation's Voting Stock (or of the Voting Stock of the ultimate

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parent of such surviving corporation) outstanding at such time. There is no established meaning of what constitutes a sale of "all or substantially all" of a company's property, business or assets. This uncertainty may make it difficult for a holder to determine whether or not a "Fundamental Change" has occurred, and thus, whether he is entitled to a special conversion right respecting the shares of $1.50 Noble Preferred Stock held by him.

As used herein, "Voting Stock" means, with respect to any person, capital stock of such person having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

As used herein, "Special Conversion Price" means (i) the higher of (a) the Market Value of the Noble Common Stock or (b) $6.53 per share (which amount will, each time the conversion price is adjusted, be adjusted so that the ratio of such amount to the conversion price, after giving effect to any such adjustment, shall always be the same as the ratio of $6.53 to the initial conversion price, without giving effect to any such adjustment) multiplied by (ii) a ratio the numerator of which is $25.00 and the denominator of which is the Redemption Price (or, if prior to the date on which Noble may begin to redeem the $1.50 Noble Preferred Stock, the Redemption Price applicable commencing on such date).

As used herein, "Market Value" of the Noble Common Stock or any other Marketable Stock is the average of the last reported sales prices of the Noble Common Stock or such other Marketable Stock, as the case may be, for the five trading days ending on the last trading day preceding the date of the Fundamental Change or Change of Control; provided, however, that if the Marketable Stock is not traded on any national securities exchange or similar quotation system as described in the definition of "Marketable Stock" during such period, then the Market Value of such Marketable Stock is the average of the last reported sales prices

per share of such Marketable Stock during the first five trading days commencing with the first day after the date on which such Marketable Stock was first distributed to the general public and traded on the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market System or any similar system of automated dissemination of quotations of securities prices in the United States.

As used herein, the term "Marketable Stock" means Noble Common Stock or common stock of any corporation that is the successor to all or substantially all of the business or assets of Noble as a result of a Fundamental Change or of the ultimate parent of such successor, which is (or will, upon distribution thereof, be) listed or quoted on the New York Stock Exchange, the American Stock Exchange, the NASDAQ National Market System or any similar system of automated dissemination of quotations of securities prices in the United States.

FEDERAL INCOME TAX CONSIDERATIONS REGARDING $1.50 NOBLE PREFERRED STOCK

The following is a summary of the material federal income tax consequences of acquiring, owning and disposing of the $1.50 Noble Preferred Stock and unless otherwise noted represents the opinion of Thompson & Knight, A Professional Corporation, counsel to Noble ("Counsel"). This summary does not purport to be complete and does not address the tax consequences to holders that are subject to special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, corporations subject to the alternative minimum tax, S corporations, foreign entities, nonresidential alien individuals, broker-dealers and tax-exempt entities. Each stockholder or prospective stockholder should consult his or her own tax advisor with respect to his or her own particular circumstances.

This summary is based on the Code, Treasury regulations and proposed regulations, court decisions and current administrative rulings and pronouncements of the IRS, all of which are subject to change, possibly with retroactive effect. Also, this summary assumes that the $1.50 Noble Preferred Stock to be issued in connection with the Merger will be held as a capital asset (generally, property held for investment) as defined in the Code.

Dividends. Distributions with respect to $1.50 Noble Preferred Stock will

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constitute "dividends" for federal income tax purposes to the extent that Noble has current or accumulated earnings and profits for federal income tax purposes. Distributions paid to corporations that qualify as "dividends" for federal income tax purposes will generally be eligible for the 70 percent dividends received deduction under Section 243 of the Code, subject to the limitations discussed below. If a distribution with respect to $1.50 Noble Preferred Stock exceeds the holder's allocable share of Noble's current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital which will reduce the stockholder's tax basis in the $1.50 Noble Preferred Stock; any amount in excess of the holder's basis will be treated as capital gain. A reduction in tax basis could result in increased capital gain upon a sale or other disposition of the $1.50 Noble Preferred Stock.

In general, the dividends received deduction will be available with respect to dividends on $1.50 Noble Preferred Stock held for at least 46 days, or at least 91 days in the case of a dividend attributable to a period or periods aggregating more than 366 days. A stockholder's holding period for these purposes will be reduced by periods during which the stockholder has an option to sell, is under a contractual obligation to sell, has made (but not closed) a short sale of, or is the grantor of an option to purchase, substantially identical stock or securities. A stockholder's holding period also will be reduced where the stockholder's risk of loss with respect to the $1.50 Noble Preferred Stock is considered diminished by reason of the stockholder's holding one or more other positions in substantially similar or related property, including (under proposed regulations) a short sale of Noble Common Stock if price changes of the Noble Common Stock are related to price changes on the $1.50 Noble Preferred Stock. The dividends received deduction also will not be available if the stockholder is under an obligation to make related payments with respect to positions in substantially similar or related property. The dividends received deduction generally will be limited to 70 percent of the stockholder's taxable income. The dividends received deduction will be proportionately reduced to the extent the holder has indebtedness "directly attributable" to its investment in the $1.50 Noble Preferred Stock. Prospective corporate purchasers of $1.50 Noble Preferred Stock should consult their own tax advisors to determine whether these limitations might apply to them.

Extraordinary Dividends. If a corporate holder receives an "extraordinary dividend" from Noble with respect to $1.50 Noble Preferred Stock which it has not held for more than two years before the dividend announcement date, the holder's basis in the $1.50 Noble Preferred Stock will be reduced (but not below zero) by the portion of the dividend which is deductible by reason of the dividends received deduction. If, because of the limitation on reducing basis below zero, any portion of an extraordinary dividend that is deductible by reason of the dividends received deduction has not been applied to reduce basis, such amount will be treated as gain from the sale or exchange of stock upon the sale or disposition of the $1.50 Noble Preferred Stock. An "extraordinary dividend" on the $1.50 Noble Preferred Stock would include a dividend that (i) equals or exceeds five percent of the holder's adjusted tax basis in the stock, treating all dividends having ex-dividend dates within an 85-day period as one dividend or (ii) exceeds 20 percent of the holder's adjusted tax basis (determined without regard to any reduction for the non-taxed portion of prior extraordinary dividends) in the stock, treating all dividends having ex-dividend dates within a 365-day period as one dividend. A holder may elect to use the fair market value of the stock as of the day before the ex-dividend date rather than its adjusted basis for purposes of applying the five percent or 20 percent limitation if the holder is able to establish such fair market value to the satisfaction of the IRS. An "extraordinary dividend" would also include any amount treated as a dividend in the case of a redemption of the $1.50 Noble Preferred Stock that is non-pro rata as to all stockholders, without regard to the period the holder held the stock.

Special rules apply with respect to a "qualified preferred dividend," which would include any fixed dividend payable with respect to the $1.50 Noble Preferred Stock provided the $1.50 Noble Preferred Stock is not in arrears as to the dividends when acquired and the actual rate of return on the $1.50 Noble Preferred Stock does not exceed 15 percent calculated by reference to the lower of the stockholder's basis in the $1.50 Noble Preferred Stock or its liquidation preference. The extraordinary dividend rules will not apply to a qualified preferred dividend if the stockholder has held the $1.50 Noble Preferred Stock for more than five years. If the stockholder disposes of the $1.50 Noble Preferred Stock before it has been held for more than five years, the aggregate reduction in basis will not exceed the excess of the qualified preferred

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dividends paid during the period held by the stockholder over the qualified preferred dividends which would have been paid during such period on the basis of the stated rate of return calculated by reference to the lower of the stockholder's basis in the $1.50 Noble Preferred Stock or its liquidation preference.

The length of time that a stockholder is deemed to have held $1.50 Noble Preferred Stock for purposes of the extraordinary dividend rules is determined under principles similar to those applicable for purposes of the dividends received deduction discussed above.

Redemption Premium. All or a portion of any excess of the Redemption Price over the issue price of the $1.50 Noble Preferred Stock could be considered to constitute an unreasonable redemption premium taxable as a dividend to the extent of Noble's current or accumulated earnings and profits. Any such premium will not be considered to be unreasonable if it is in the nature of a penalty for a premature redemption and if such premium does not exceed the amount which Noble would be required to pay for such redemption right under market conditions existing at the time of issuance of the $1.50 Noble Preferred Stock. Noble believes that the redemption premium is reasonable under this standard, but there can be no assurance that the IRS or the courts will agree therewith, and Counsel renders no opinion with respect thereto. If, however, any portion of the redemption premium payable on the $1.50 Noble Preferred Stock were considered unreasonable under the foregoing rules, a holder of the $1.50 Noble Preferred Stock would take the amount of such premium into income over the period during which the stock cannot be called for redemption under the economic accrual method of Section 1272 of the Code. The Revenue Reconciliation Act of 1990 authorized the Treasury Department to promulgate new regulations regarding the federal income tax treatment of redemption premiums with respect to preferred stock. As of this date, certain proposed regulations have been issued. The primary focus of the proposed regulations is on the treatment of preferred stock callable at a premium at the option of the issuer. In general, such proposed regulations are to apply prospectively (only to stock issued on or after final regulations are issued) and, therefore, it is not anticipated that the proposed regulations will apply to the $1.50 Noble Preferred Stock. It is not known to what extent final regulations will incorporate or modify the proposed regulations or to what extent other new regulations will incorporate or modify the existing rules referred to above.

Redemption for Cash. A redemption of shares of $1.50 Noble Preferred Stock by Noble for cash will be treated under Section 302 of the Code as a distribution taxable as a dividend to redeeming stockholders to the extent of Noble's current or accumulated earnings and profits unless the redemption (i) results in a "complete termination" of the stockholder's interest in Noble (within the meaning of Section 302(b)(3) of the Code), (ii) is "substantially disproportionate" (within the meaning of Section 302(b)(2) of the Code) with respect to the holder or (iii) is "not essentially equivalent to a dividend" (within the meaning of Section 302(b)(1) of the Code). In determining whether any of the Code Section 302(b) tests have been met, shares of Noble Common Stock and of any other class of stock of Noble will be taken into account along with shares of $1.50 Noble Preferred Stock. Moreover, shares considered to be owned by the holder by reason of the constructive ownership rules set forth in Section 318 of the Code, as well as shares actually owned, will be taken into account. If any of the foregoing tests is met, then, except with respect to declared and unpaid dividends, if any, the redemption of shares of $1.50 Noble Preferred Stock for cash will result in taxable gain or loss equal to the difference between the amount of cash received and the holder's tax basis in the redeemed shares. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the stockholder's holding period exceeds one year. Based on a published IRS ruling, the redemption of a stockholder's $1.50 Noble Preferred Stock for cash should be treated as "not essentially equivalent to a dividend" if, taking into account the constructive ownership rules, (a) the stockholder's relative stock interest in Noble is minimal, (b) the stockholder exercises no control over Noble's affairs and (c) there is a reduction in the holder's proportionate interest in Noble.

If a redemption of $1.50 Noble Preferred Stock is treated as a dividend under the rules set forth in the preceding paragraphs, then the holder's tax basis in the redeemed $1.50 Noble Preferred Stock will be transferred to any remaining stock in Noble held by such holder. If the holder does not retain any stock ownership in Noble, then such holder may lose that basis completely.

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Also, if a redemption of the $1.50 Noble Preferred Stock is treated as a dividend, then under the "extraordinary dividend" provisions discussed above, a corporate holder that has not held the $1.50 Noble Preferred Stock for more than two years before the date of the announcement of the dividend (or regardless of its holding period in the case of a redemption that is not pro rata as to all stockholders) may be required to reduce its basis in its remaining shares of stock in Noble (and possibly recognize gain upon a disposition of such shares) to the extent the holder has received the benefit of the 70 percent dividends received deduction with respect to the dividend.

Conversion into Noble Common Stock. No gain or loss generally will be recognized upon conversion of shares of $1.50 Noble Preferred Stock into shares of Noble Common Stock, except with respect to any cash paid in lieu of fractional shares of Noble Common Stock. The tax basis of the Noble Common Stock received upon conversion will be equal to the tax basis of the shares of $1.50 Noble Preferred Stock converted, reduced by the portion of such basis attributable to fractional shares surrendered for cash and increased, in the case of a conversion after a dividend record date but before the corresponding dividend payment date, by the amount of such dividend required to be paid to Noble. The holding period of the Noble Common Stock will include the holding period of the shares of $1.50 Noble Preferred Stock converted.

Adjustment of Conversion Price. Holders of $1.50 Noble Preferred Stock may be deemed to have received a constructive distribution of stock that is taxable as a dividend where the conversion ratio of the $1.50 Noble Preferred Stock is adjusted unless the change in conversion ratio is made pursuant to a bona fide reasonable adjustment formula which has the effect of preventing the dilution of the interest of the holders. Adjustments to compensate for taxable distributions of cash or property to other stockholders are not considered as made pursuant to a bona fide adjustment formula. In addition, certain of the possible adjustments provided with respect to the $1.50 Noble Preferred Stock (including those in connection with the special conversion rights applicable to the $1.50 Noble Preferred Stock) may not qualify as being pursuant to a bona fide reasonable adjustment formula. If a nonqualifying adjustment were made, the holders of $1.50 Noble Preferred Stock could be deemed to have received a taxable stock dividend.

Backup Withholding. Under the backup withholding provisions of the Code and applicable Treasury regulations, a holder of $1.50 Noble Preferred Stock may be subject to backup withholding at the rate of 31

percent with respect to dividends on, or the proceeds of a sale, conversion or redemption of, the $1.50 Noble Preferred Stock, unless such holder (i) is a corporation or comes within certain other exempt categories and when required demonstrates this fact or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's federal income tax liability and may entitle such holder to a refund, provided that the required information is furnished to the IRS.

RESTRICTIONS ON DIVIDENDS

Senior Note Indenture. Certain provisions of the indenture (the "Senior Note Indenture") governing Noble's outstanding 9 1/4% Senior Notes Due 2003 (the "Senior Notes") restrict Noble's ability to pay cash dividends on Noble Common Stock and will restrict Noble's ability to pay cash dividends on the $1.50 Noble Preferred Stock. Under the Senior Note Indenture, Noble may not make certain Restricted Payments (as defined in the Senior Note Indenture), including dividends and other payments with respect to Noble Common Stock and $1.50 Noble Preferred Stock, if (i) a default under the Senior Note Indenture is continuing or would result from such Restricted Payment; (ii) for the 12-month period ending on the last day of Noble's most recently completed fiscal quarter, Noble's consolidated interest coverage ratio was less than (A) 2.0:1, for any such payment occurring on or prior to December 31, 1995, or (B) 2.5:1, for any such payment occurring on or after January 1, 1996; or (iii) after giving effect to such Restricted Payment, the aggregate amount of all Restricted Payments since October 7, 1993, the date of issuance of the Senior Notes, exceeds the sum (such sum, the "Restricted Payment Basket") of (A) 50 percent of the aggregate consolidated net income (as defined) of Noble (or if such consolidated net income is a deficit, minus 100 percent of such deficit) accrued during the

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period beginning on October 1, 1993 and ending on the last day of the fiscal quarter ending immediately prior to the date of such proposed Restricted Payment; (B) the aggregate net cash proceeds to Noble from the sale of certain capital stock of Noble subsequent to October 7, 1993 and the liability (expressed as a positive number) of any indebtedness of Noble, or the carrying value of any redeemable stock of Noble (including the $2.25 Noble Preferred Stock), which has been converted into shares of Noble Common Stock subsequent to October 7, 1993; and (C) $10,000,000. The provisions of the Senior Note Indenture described above do not directly prevent Noble from paying regular cash dividends on the $2.25 Noble Preferred Stock. However, the aggregate amount of such dividends paid by Noble are taken into account as Restricted Payments for purposes of subsequent computations of the aggregate amount of all Restricted Payments under the provisions of the Senior Note Indenture described in clause (iii) above.

The payment of dividends on the $1.50 Noble Preferred Stock will constitute Restricted Payments for all purposes of the Senior Note Indenture, and, accordingly, will be subject to the Restricted Payment Basket. To the extent that the payment of dividends on Noble Common Stock, $2.25 Noble Preferred Stock and $1.50 Noble Preferred Stock would result in the aggregate amount of all Restricted Payments made by Noble exceeding the Restricted Payment Basket, and during such times that the aggregate amount of all Restricted Payments exceeds the Restricted Payment Basket, dividend payments on Noble Common Stock and $1.50 Noble Preferred Stock will be prohibited under the provisions of the Senior Note Indenture. The $1.50 Noble Preferred Stock will rank on a parity with the $2.25 Noble Preferred Stock with respect to the payment of dividends, which means that no dividends may be paid on the $2.25 Noble Preferred Stock unless accrued dividends on the $1.50 Noble Preferred Stock are also paid. Accordingly, if the payment of accrued dividends on the $1.50 Noble Preferred Stock is prohibited pursuant to the Senior Note Indenture, dividend payments on the $2.25 Noble Preferred Stock will also be prohibited.

As of March 31, 1994, Noble's consolidated interest coverage ratio was 5.1:1 and the amount of the Restricted Payment Basket was $15,027,000. As of that same date, Noble had made Restricted Payments (consisting of regular dividends on the $2.25 Noble Preferred Stock) since October 7, 1993 of $3,364,000, leaving $11,663,000 of the Restricted Payment Basket available, as of March 31, 1994, for Restricted Payments. Annual dividends on the currently outstanding shares of $2.25 Noble Preferred Stock total $6,727,500. Annual dividends on 4,025,000 shares of $1.50 Noble Preferred Stock (which is the maximum

number of shares of $1.50 Noble Preferred Stock issuable in connection with the Merger upon conversion and exchange of the Chiles Preferred Stock) will total $6,037,500.

As of March 31, 1994, the aggregate carrying value of the outstanding shares of $2.25 Noble Preferred Stock was approximately $71,760,000. The $2.25 Noble Preferred Stock is convertible into Noble Common Stock at any time at a rate (subject to adjustment in the case of certain dilutive events) of 5.41946 shares of Noble Common Stock for each share of such preferred stock (equivalent to a conversion price of $4.613 per share of Noble Common Stock). The $2.25 Noble Preferred Stock is also redeemable at the option of Noble at any time on and after December 31, 1994, initially at a redemption price of $26.575 per share, and thereafter at prices decreasing ratably annually to $25.00 per share on and after January 1, 2002, plus accrued and unpaid dividends. See "Description of Noble Capital Stock -- $2.25 Noble Preferred Stock." To the extent that shares of $2.25 Noble Preferred Stock are converted into shares of Noble Common Stock as a result of a call for redemption of such preferred stock or otherwise, the carrying value of such converted shares of preferred stock will be added to the Restricted Payment Basket. Giving effect to an assumed full conversion on December 31, 1994 of the $2.25 Noble Preferred Stock, and assuming (i) the amount of the Restricted Payment Basket remains unchanged from March 31, 1994 through December 31, 1994 and (ii) no Restricted Payments are made during such period other than regular cash dividends on the $2.25 Noble Preferred Stock and, after the Effective Time, the $1.50 Noble Preferred Stock, the amount of the Restricted Payment Basket available for Restricted Payments as of December 31, 1994 would be $77,059,000. There can be no assurance as to when or if a full, or any partial, conversion of the $2.25 Noble Preferred Stock will occur.

Credit Agreement. On June 16, 1994, Noble entered into a credit agreement (the "Credit Agreement") with two banks providing for a $25 million revolving

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line of credit. Certain provisions of the Credit Agreement restrict Noble's ability to pay cash dividends on Noble Common Stock and $2.25 Noble Preferred Stock and will restrict Noble's ability to pay cash dividends on the $1.50 Noble Preferred Stock. Under the Credit Agreement, Noble may not make certain Restricted Payments (as defined in the Credit Agreement), including dividends and other payments with respect to Noble Common Stock, $2.25 Noble Preferred Stock and $1.50 Noble Preferred Stock, if (i) a default under the Credit Agreement is continuing or would result from such Restricted Payment; (ii) Noble's tangible net worth is less than the sum of (A) $280,000,000, plus (B) 50 percent of any positive net income of Noble computed on a cumulative basis for the period beginning April 30, 1994 and ending on the last day of the fiscal quarter immediately preceding the date of any determination, with no negative adjustment to be made in the event net income is a deficit figure for any fiscal period, plus (C) 85 percent of the aggregate amount of net non-cash proceeds, and 100 percent of net cash proceeds, to Noble from the issuance or sale after April 30, 1994, and determined as of the last day of each fiscal quarter subsequent to March 31, 1994, of (x) shares of Noble Common Stock or warrants, rights or options to purchase or acquire Noble Common Stock and (y) shares of preferred stock of Noble, provided that such 85 percent rate will increase to 100 percent at such time as the aggregate of all net noncash proceeds from the sale by Noble of Noble Common Stock, or warrants, rights or options to purchase or acquire Noble Common Stock, exceeds $300,000,000; or (iii) Noble's debt to capital ratio exceeds 0.35:1.

As of March 31, 1994, Noble's tangible net worth was approximately $326,000,000, and the minimum tangible net worth required under the provisions of the Credit Agreement to allow Restricted Payments, calculated as set forth in the Credit Agreement and as generally described above, was $280,000,000. As of March 31, 1994, Noble's debt to capital ratio was 0.28:1. As of March 31, 1994, Noble's and Chiles' pro forma combined net worth was approximately $516,000,000, and the minimum tangible net worth required under the provisions of the Credit Agreement to allow Restricted Payments, calculated as set forth in the Credit Agreement and generally described above, was $441,500,000. As of March 31, 1994, Noble's and Chiles' pro forma debt to capital ratio was 0.20:1.

FOREIGN OWNERSHIP

The Certificate of Incorporation contains provisions that limit foreign ownership of the stock of Noble. These provisions are to protect the ability of Noble to continue to own its mobile offshore drilling units as U.S. flag vessels and to comply with covenants of Noble to maintain U.S. citizenship (as defined) that are contained in certain financing agreements.

In order to continue to enjoy the benefits of U.S. flag registry for its vessels, Noble must maintain "United States citizenship" as defined in the Shipping Act, 1916, as amended (the "Shipping Act"). A corporation is not considered a U.S. citizen for these purposes unless, among other things, the controlling interest therein (a majority in the case of non-coastwise trade) is owned by U.S. citizens. Under regulations adopted by the U.S. Maritime Administration to implement the citizenship requirements, the "controlling interest" test is applied to each class of stock of Noble. The Noble Common Stock and all series of Noble's preferred stock combined are considered to be separate classes of stock for this purpose.

Under the provisions of the Certificate of Incorporation, (i) any transfer, or attempted or purported transfer, of any shares of stock of Noble that would result in the ownership or control by one or more persons who is not a U.S. citizen for purposes of the Shipping Act of an aggregate percentage of the shares of any class of stock in excess of a fixed percentage (the "Permitted Percentage") that is equal to 90 percent of the percentage that would prevent Noble from being a U.S. citizen (currently 50 percent) for purposes of the Shipping Act, will, for so long as such excess shall exist, be void and ineffective as against Noble, and (ii) if at any time ownership of shares of stock of Noble (either of record or beneficial) by persons other than U.S. citizens exceeds the Permitted Percentage, Noble may withhold payment of dividends on such shares determined to be in excess of the Permitted Percentage and may suspend voting rights attributable to such shares. The shares subject to any such withholding of dividends or suspension of voting rights would be those foreign-owned shares that the Board of Directors of Noble determines became so owned most recently. The Permitted Percentage is currently 45 percent.

Certificates representing the shares of Noble Common Stock and $1.50 Noble

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Preferred Stock issued pursuant to the Merger Agreement will bear legends concerning the restrictions on ownership by persons other than U.S. citizens. Noble has instructed its transfer agent for the Noble Common Stock, the $2.25 Noble Preferred Stock and the $1.50 Noble Preferred Stock to attempt to ensure the applicable transfer instructions are enforced.

CERTAIN CORPORATE GOVERNANCE PROVISIONS

Stockholder Consent Action Prohibited. The Certificate of Incorporation and Bylaws of Noble require that, subject to the possible rights of the holders of any class or series of stock having a preference over the Noble Common Stock as to dividends or upon liquidation, stockholder action be taken only at an annual meeting or at a special meeting of stockholders called by the Chairman of the Board or the President of Noble or by a majority of the entire Board of Directors of Noble, and prohibit stockholder action by written consent in lieu of a meeting. Stockholders are not permitted to call a special meeting of stockholders or to require that the Board of Directors of Noble call such a special meeting.

Classified Board and Other Provisions. The Certificate of Incorporation and Bylaws of Noble provide that, subject to the possible rights of the holders of any class or series of stock having a preference over the Noble Common Stock as to dividends or upon liquidation, the Board of Directors of Noble will be composed of not less than three directors, with the exact number of directors fixed from time to time by resolution adopted by vote of a majority of the entire Board of Directors, and is divided into three classes of directors, each class to be as nearly equal in number as possible. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a full three-year term.

The Certificate of Incorporation and Bylaws of Noble provide that a director may be removed only for cause as defined in the Certificate of Incorporation, and only by the affirmative vote of the holders of a majority of the combined voting power of the Voting Stock.

The Certificate of Incorporation of Noble provides that, subject to the possible rights of the holders of any class or series of stock having a preference over the Noble Common Stock as to dividends or upon liquidation, a vacancy on the Board resulting from any increase in the number of directors may be filled by the Board or in the manner provided in the Bylaws of Noble, that any other vacancy shall be filled only by an affirmative vote of a majority of directors remaining in office, even though less than a quorum, and that the newly-elected director shall serve for the unexpired term of his predecessor in office. The Bylaws provide that if any vacancy resulting from an increase in the number of directors is not filled by the remaining directors it will be filled by

the stockholders of Noble at the next annual meeting or at a special meeting of stockholders called for that purpose.

An anti-takeover effect is accomplished by these provisions in that they tend to preclude a third party from removing incumbent directors and simultaneously gaining control of the Board by filling the vacancies created by removal with its own nominees unless such third party controls at least 80 percent of the combined voting power of the Voting Stock (the ownership level required to amend Noble's Certificate Incorporation and Bylaws in this respect). Under these provisions, together with the classified board provisions described above, it would take at least two elections of directors for any individual or group to gain control of the Noble Board.

Fair Price Provision. The affirmative vote of the holders of at least 80 percent of the combined voting power of the Voting Stock is required to approve certain Business Combinations (as such term is defined in the Certificate of Incorporation). The transactions included in the definition of Business Combination are those between Noble and an Interested Stockholder (as defined below) or, in certain instances, proposed by an Interested Stockholder and include: (i) a merger or consolidation of Noble, or any subsidiary having assets of $1,000,000 or more, with any Interested Stockholder or with any other corporation or entity that is, or after such merger or consolidation would be, an affiliate or associate of an Interested Stockholder; (ii) the sale or other disposition by Noble, or a subsidiary, of assets of $1,000,000 or more if an Interested Stockholder (or an affiliate or associate thereof) is a party to the

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transaction; (iii) the issuance or transfer of any securities of Noble, or a subsidiary, to an Interested Stockholder (or an affiliate or associate thereof) in exchange for cash, securities or other property (or a combination thereof) of $1,000,000 or more; (iv) the adoption of any plan or proposal for the liquidation or dissolution of Noble proposed by or on behalf of an Interested Stockholder (or an affiliate or associate thereof); (v) any reclassification of securities, recapitalization, merger with a subsidiary or other transaction that has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares (or securities convertible into shares) of any class or series of stock of Noble or a subsidiary owned by an Interested Stockholder (or an affiliate or associate thereof); (vi) any series or combination of transactions directly or indirectly having the same effect as any of the foregoing; or (vii) any contract, agreement or other arrangement providing directly or indirectly for any of the foregoing. An "Interested Stockholder" is defined in the Noble Certificate of Incorporation to include a beneficial owner of five percent or more of the combined voting power of the Voting Stock, other than Noble, and any affiliate of Noble who, at any time during the preceding two years, was the beneficial owner of five percent or more of the combined voting power of the Voting Stock and includes any person who is an assignee of or has succeeded to any shares of Voting Stock in a transaction not involving a public offering which were at any time within the prior two-year period beneficially owned by an Interested Stockholder. The term "beneficial owner" includes persons directly and indirectly owning or having the right to acquire or vote the stock in question.

The provisions of the Certificate of Incorporation of Noble described in the preceding paragraph may have the effect of delaying, deterring or preventing a change in control of Noble. The special vote requirement of such provisions may be waived if the Business Combination is duly approved by a majority of the Disinterested Directors (as such term is defined in the Certificate of Incorporation of Noble) or if certain minimum price criteria and procedural requirements are met. There is no requirement that a Business Combination duly approved by the Disinterested Directors meet any minimum price criteria or procedural requirements.

Alteration or Amendment. The approval of the holders of 80 percent or more of the combined voting power of the Voting Stock is required for the alteration, amendment or repeal of, or the adoption of any provision inconsistent with, the foregoing corporate governance provisions as stated in the Certificate of Incorporation of Noble. In addition, the affirmative vote of a majority of the entire Board may authorize the alteration, amendment or repeal of the Bylaws of Noble.

Elimination of Certain Director Liability; Indemnification. The Noble Certificate of Incorporation contains an article, which was approved by stockholders at the 1987 annual meeting of stockholders, that eliminates the personal liability of Noble's directors for monetary damages resulting from breaches of their fiduciary duty, to the extent permitted by the DGCL. This article eliminates the liability of each director to

Noble or its stockholders for all claims for negligence or gross negligence in the performance of his duties other than the duty of loyalty. Directors remain liable to Noble and its stockholders for breaches of their duty of loyalty, as well as for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, and for transactions from which a director derives improper personal benefit. The article does not limit the liability of directors under Section 174 of the DGCL, which makes directors personally liable for unlawful dividends or unlawful stock repurchases or redemptions and expressly sets forth a negligence standard with respect to such liability.

The Noble Certificate of Incorporation and the Bylaws of Noble contain provisions providing for the indemnification of Noble's directors and officers to the fullest extent permitted by Section 145 of the DGCL, including in circumstances in which indemnification is otherwise discretionary.

Noble believes that these provisions are necessary to attract and retain qualified persons as directors and officers.

The Delaware Business Combination Act. Noble is covered by Section 203 of the DGCL which provides that a corporation shall not engage in any business combination with an "interested stockholder" for a period of three years

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following the date that such stockholder became an interested stockholder unless: (i) prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of such transaction, the interested stockholder owned at least 85 percent of the voting stock of the corporation outstanding at the time (excluding, from the calculation of outstanding shares, shares beneficially owned by management, directors and certain employee stock plans), or (iii) on or after such date, the business combination is (A) approved by the board of directors and (B) authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock other than the interested stockholder.

COMPARISON OF STOCKHOLDER RIGHTS

If the Merger is consummated, the stockholders of Chiles will become stockholders of Noble. The rights of the stockholders of both Noble and Chiles are governed by and subject to the provisions of the DGCL. The rights of current Chiles stockholders following the Merger will be governed by the Noble Certificate of Incorporation and the Noble Bylaws rather than the provisions of the Certificate of Incorporation and Bylaws of Chiles. The following is a brief summary of certain differences between the rights of stockholders of Noble and the rights of stockholders of Chiles and is qualified in its entirety by reference to the relevant provisions of the DGCL, the Noble Certificate of Incorporation, the Noble Bylaws, Chiles' Certificate of Incorporation (the "Chiles Certificate of Incorporation") and Chiles' Bylaws.

GENERAL

Chiles, like Noble, is a Delaware corporation organized under the DGCL. Both the Noble Certificate of Incorporation and the Chiles Certificate of Incorporation deny preemptive rights, and neither permits cumulative voting. Whereas Noble has a classified Board of Directors, Chiles does not. Although Noble does not allow its stockholders to take action by written consent, Chiles does. The Chiles Certificate of Incorporation does not contain provisions requiring a supermajority vote under any circumstances and does not include a fair price provision.

AUTHORIZED CAPITAL

Noble has 90,000,000 authorized shares of stock, consisting of (i) 75,000,000 shares of Noble Common Stock and (ii) 15,000,000 shares of preferred stock having a par value of $1.00 per share. There is one series of preferred stock designated, of which there are 2,990,000 shares of $2.25 Noble Preferred Stock outstanding. If the Noble Charter Amendment is effected, Noble will have 215,000,000 authorized shares of stock, consisting of (i) 200,000,000 shares of Noble Common Stock and (ii) 15,000,000 shares of preferred stock. If the

Merger is consummated, up to 4,025,000 shares of a new series of preferred stock will be issued in the Merger as the $1.50 Noble Preferred Stock.

Chiles has the authority to issue 110,000,000 shares of capital stock, 100,000,000 of which are Chiles Common Stock and 10,000,000 are preferred stock, par value $1.00 per share. Chiles has designated 4,025,000 shares of the preferred stock as $1.50 Convertible Preferred Stock, all of which shares were outstanding as of the date hereof.

REMOVAL OF DIRECTORS

A director of Noble may be removed from office only for cause and only by the affirmative vote of the holders of a majority of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class. For this purpose, "cause" means the willful and continuous failure of a director substantially to perform such director's duties to Noble (other than any such failure resulting from incapacity due to physical or mental illness) or the willful engaging by a director in gross misconduct materially and demonstrably injurious to Noble. In accordance with Section 141(k) of the DGCL, a director of Chiles may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

POWER OF STOCKHOLDERS TO CALL SPECIAL MEETING

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The Noble Certificate of Incorporation and Noble Bylaws do not provide the stockholders the right to call a special meeting. A special meeting of Chiles stockholders may be called by 10 percent of the holders of the shares then outstanding and entitled to vote.

CLASSIFIED BOARD AND FAIR PRICE PROVISION

Classified Board. As discussed above, Noble's Board of Directors is divided into three classes. Chiles does not have a classified Board of Directors. Noble's classified Board and the possible anti-takeover effects of classification are described above. See "Description of Noble Capital Stock -- Certain Corporate Governance Provisions."

Fair Price Provision. As discussed above, the Noble Certificate of Incorporation contains a fair price provision. The Chiles Certificate of Incorporation does not contain such a provision. The fair price provision and its possible anti-takeover effects are described above. See "Description of Noble Capital Stock -- Certain Corporate Governance Provisions."

Alteration or Amendment. The approval of the holders of 80 percent or more of the combined voting power of the Voting Stock of Noble is required for the alteration, amendment or repeal of, or the adoption of any provision inconsistent with, the foregoing corporate governance provisions as stated in the Noble Certificate of Incorporation. The Noble Board of Directors may authorize the alteration, amendment or repeal of the Noble Bylaws.

MANAGEMENT AND OTHER INFORMATION

Certain information relating to the management, executive compensation, voting securities and the principal holders thereof, certain relationships and related transactions and other related matters pertaining to Noble and Chiles is set forth in or incorporated by reference in their respective Annual Reports on Form 10-K for the year ended December 31, 1993. Such Annual Reports are incorporated in this Joint Proxy Statement/Prospectus. See "Incorporation of Certain Documents by Reference." Stockholders who wish to obtain copies of these documents may contact Noble or Chiles at their respective addresses or telephone numbers as set forth under "Incorporation of Certain Documents by Reference."

LEGAL MATTERS

The validity of the shares of Noble Common Stock and $1.50 Noble Preferred Stock offered by this Joint Proxy Statement/Prospectus will be passed upon for Noble by Thompson & Knight, A Professional Corporation, Dallas, Texas.

EXPERTS

The audited consolidated financial statements and schedules of Noble incorporated by reference in this Joint Proxy Statement/Prospectus have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are so incorporated in reliance upon the authority of said firm as experts in giving said report.

The audited consolidated financial statements and schedules of Chiles incorporated by reference in this Joint Proxy Statement/Prospectus have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are so incorporated in reliance upon the authority of said firm as experts in giving said report.

The consolidated financial statements of Triton and subsidiaries as of December 31, 1993 and 1992, and for each of the years in the two-year period ended December 31, 1993, have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG Peat Marwick, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

STOCKHOLDER PROPOSALS

Stockholder proposals for inclusion in Noble's proxy materials in connection with the 1995 annual meeting of stockholders must be received by Noble at its offices in Houston, Texas, addressed to Ms. Julie J. Robertson, Secretary, no later than November 28, 1994.

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If the Merger is not consummated, the annual meeting of the stockholders of Chiles is expected to be held in May 1995. Any proposals of the stockholders of Chiles intended to be presented at the annual meeting must be received by Chiles, addressed to the Secretary, no later than December 20, 1995, to be considered for inclusion in the proxy statement and form of proxy relating to that meeting.

APPENDIX I

AGREEMENT AND PLAN OF MERGER AMONG NOBLE DRILLING CORPORATION, NOBLE OFFSHORE CORPORATION AND CHILES OFFSHORE CORPORATION

JUNE 13, 1994

TABLE OF CONTENTS

ARTICLE I

THE MERGER

<TABLE>

<S>	<C>	<C>
1.1	The Merger	1
1.2	Closing Date	1
1.3	Consummation of the Merger	1
1.4	Effects of the Merger	2
1.5	Certificate of Incorporation; Bylaws	2
1.6	Directors and Officers	2
1.7	Conversion of Securities	2
1.8	Exchange of Certificates; Fractional Shares	2
1.9	Taking of Necessary Action; Further Action	3
	ARTICLE II REPRESENTATIONS AND WARRANTIES	
2.1	Representations and Warranties of Noble and Sub	4
2.2	Representations and Warranties of Chiles	11
	ARTICLE III COVENANTS OF CHILES PRIOR TO THE EFFECTIVE TIME	
3.1	Conduct of Business by Chiles Pending the Merger	16
3.2	Joint Proxy Statement	17
3.3	Meeting of Stockholders of Chiles	18
3.4	No Shopping	18
3.5	Affiliates' Agreements	19
	ARTICLE IV COVENANTS OF NOBLE PRIOR TO THE EFFECTIVE TIME	
4.1	Conduct of Business by Noble Pending the Merger	19
4.2	Joint Proxy Statement	20
4.3	Meeting of Stockholders of Noble	20
4.4	Registration Statement	20
4.5	Reservation of Noble Stock	21
4.6	Stock Exchange Listing	21
4.7	Affiliates' Agreements	21
4.8	Registration Rights Agreement	21
	ARTICLE V ADDITIONAL AGREEMENTS	
5.1	Accountants Letters	21
5.2	Filings; Consents; Reasonable Efforts	21
5.3	Notification of Certain Matters	21
5.4	Agreement to Defend	21
5.5	Expenses	22
5.6	Noble's Board of Directors	22
5.7	Indemnification	22

</TABLE>

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Please Consider the Environment Before Printing This Document

5.8	Chiles Employee Benefits	23
5.9	Post-Effective Time Mailing	23
5.10	Tax Opinion	23
5.11	Chiles Stock Options	23
5.12	Designation of $1.50 Noble Preferred Stock	24
	ARTICLE VI CONDITIONS	
6.1	Conditions to Obligation of Each Party to Effect the Merger	24
6.2	Additional Conditions to Obligations of Noble	25
6.3	Additional Conditions to Obligations of Chiles	26
	ARTICLE VII MISCELLANEOUS	
7.1	Termination	27
7.2	Effect of Termination	27
7.3	Waiver and Amendment	28
7.4	Nonsurvival of Representations, Warranties and Agreements	28
7.5	Public Statements	28
7.6	Assignment	28
7.7	Notices	29
7.8	Governing Law	29
7.9	Severability	29
7.10	Counterparts	29
7.11	Headings	29
7.12	Confidentiality Agreements	29
7.13	Entire Agreement; Third Party Beneficiaries	29
7.14	Disclosure Letters	29
7.15	Stock Exchange	30

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger, dated as of the 13th day of June, 1994 (the "Agreement"), is among Noble Drilling Corporation, a Delaware corporation ("Noble"), Noble Offshore Corporation, a newly-formed Delaware corporation and a wholly-owned subsidiary of Noble ("Sub"), and Chiles Offshore Corporation, a Delaware corporation ("Chiles").

WHEREAS, subject to and in accordance with the terms and conditions of this Agreement, the respective Boards of Directors of Noble, Sub and Chiles, and Noble as sole stockholder of Sub, have approved the merger of Chiles with and into Sub (the "Merger"), whereby (i) each issued and outstanding share of common stock, par value $.01 per share, of Chiles ("Chiles Common Stock") not owned directly or indirectly by Chiles will be converted into the right to receive shares of common stock, par value $.10 per share, of Noble ("Noble Common Stock") and (ii) each issued and outstanding share of $1.50 Convertible Preferred Stock, par value $1.00 per share, of Chiles ("Chiles Preferred Stock") not owned directly or indirectly by Chiles will be converted into the right to receive shares of a new series of $1.50 Convertible Preferred Stock of Noble ("$1.50 Noble Preferred Stock") having substantially equivalent rights and preferences to the Chiles Preferred Stock, as provided herein;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Merger is intended to be treated as a "pooling of interests" for accounting purposes; and

WHEREAS, the parties hereto desire to set forth certain representations, warranties and covenants made by each to the other as an inducement to the consummation of the Merger;

NOW, THEREFORE, in consideration of the premises and of the mutual

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representations, warranties and covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger. Subject to and in accordance with the terms and conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), at the Effective Time (as defined in Section 1.3) Chiles shall be merged with and into Sub. As a result of the Merger, the separate corporate existence of Chiles shall cease and Sub shall continue as the surviving corporation (sometimes referred to herein as the "Surviving Corporation"), and all the properties, rights, privileges, powers and franchises of Chiles and Sub shall vest in the Surviving Corporation, without any transfer or assignment having occurred, and all debts, liabilities and duties of Chiles and Sub shall attach to the Surviving Corporation, all in accordance with the DGCL.

1.2 Closing Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Thompson & Knight, P.C., 1700 Texas Commerce Tower, 600 Travis, Houston, Texas 77002, as soon as practicable after the satisfaction or waiver of the conditions set forth in Article VI or at such other time and place and on such other date as Noble and Chiles shall agree; provided, that the closing conditions set forth in Article VI shall have been satisfied or waived at or prior to such time. The date on which the Closing occurs is herein referred to as the "Closing Date".

1.3 Consummation of the Merger. As soon as practicable on the Closing Date, the parties hereto will cause the Merger to be consummated by filing with the Secretary of State of Delaware a certificate of merger in such form as required by, and executed in accordance with, the relevant provisions of the DGCL. The "Effective Time" of the Merger as that term is used in this Agreement shall mean such time as the certificate of merger is duly filed with the Secretary of State of Delaware or at such later time (not to exceed 90 days from the date the certificate is filed) as is specified in the certificate of merger pursuant to the mutual agreement of Noble and Chiles.

1.4 Effects of the Merger. The Merger shall have the effects set forth in the applicable provisions of the DGCL.

1.5 Certificate of Incorporation; Bylaws. The Certificate of Incorporation of Chiles, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time so that Article 1 thereof reads in its entirety: "The name of the corporation is Noble Offshore Corporation" and, as so amended, such Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation and thereafter shall continue to be its Certificate of Incorporation until amended as provided therein and under the DGCL. The bylaws of Sub, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation and thereafter shall continue to be its bylaws until amended as provided therein and under the DGCL.

1.6 Directors and Officers. The directors of Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation at and after the Effective Time, each to hold office in accordance with the Certificate of Incorporation and bylaws of the Surviving Corporation, and the officers of Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation at and after the Effective Time, in each case until their respective successors are duly elected or appointed and qualified.

1.7 Conversion of Securities. Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Noble, Chiles, Sub or their stockholders:

(a) Each share of Chiles Common Stock issued and outstanding immediately prior to the Effective Time, other than any shares of Chiles Common Stock to be cancelled pursuant to Section 1.7(c), shall be converted into the right to receive 0.75 of a share of Noble Common Stock; provided, however, that no fractional shares of Noble Common Stock shall be issued, and, in lieu thereof, a cash payment shall be made in accordance with Section 1.8(d) hereof.

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(b) Each share of Chiles Preferred Stock (together with the shares of Chiles Common Stock issued and outstanding immediately prior to the Effective Time, the "Shares") issued and outstanding immediately prior to the Effective Time, other than any shares of Chiles Preferred Stock to be cancelled pursuant to Section 1.7(c), shall be converted into the right to receive one share of $1.50 Noble Preferred Stock.

(c) Each Share held in the treasury of Chiles and each Share owned by Sub, Noble or any direct or indirect wholly-owned subsidiary of Noble or of Chiles immediately prior to the Effective Time shall be cancelled and extinguished without any conversion thereof and no payment shall be made with respect thereto.

(d) Each share of common stock, par value $.01 per share, of Sub issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, $.01 par value per share, of the Surviving Corporation.

1.8 Exchange of Certificates; Fractional Shares.

(a) As soon as practicable after the Effective Time, each holder of a certificate that prior thereto represented Shares shall be entitled, upon surrender thereof to Noble or its transfer agent, to receive in exchange therefor, as applicable (i) a certificate or certificates representing the number of whole shares of Noble Common Stock into which the shares of Chiles Common Stock so surrendered shall have been converted as aforesaid, in such denominations and registered in such names as such holder may request or (ii) a certificate or certificates representing the number of shares of $1.50 Noble Preferred Stock into which the shares of Chiles Preferred Stock so surrendered shall have been converted as aforesaid, in such denominations and registered in such names as such holder may request. Each holder of shares of Chiles Common Stock who would otherwise be entitled to a fraction of a share of Noble Common Stock shall, upon surrender of the certificates representing such shares held by such holder to Noble or its transfer agent, be paid an amount in cash in accordance with the provisions of Section 1.8(d). Until so surrendered and exchanged, each certificate that prior to the Effective Time represented Shares shall represent solely the right to receive Noble Common Stock and cash in lieu of fractional shares, if any, or

$1.50 Noble Preferred Stock, as the case may be. Unless and until any such certificates shall be so surrendered and exchanged, no dividends or other distributions payable to the holders of Noble Common Stock or $1.50 Noble Preferred Stock, as of any time on or after the Effective Time, shall be paid to the holders of such certificates that prior to the Effective Time represented Shares; provided, however, that, upon any such surrender and exchange of such certificates, there shall be paid to the record holders of the certificates issued and exchanged therefor the amount, without interest thereon, of dividends and other distributions, if any, that theretofore were declared and became payable after the Effective Time with respect to the number of whole shares of Noble Common Stock or $1.50 Noble Preferred Stock, as the case may be, issued to such holder.

(b) All shares of Noble Common Stock and $1.50 Noble Preferred Stock issued upon the surrender for exchange of certificates that prior to the Effective Time represented Shares in accordance with the terms hereof (including any cash paid pursuant to Section 1.8(d)) shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares. At and after the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates which prior to the Effective Time represented Shares are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article I.

(c) If any certificate for shares of Noble Common Stock or $1.50 Noble Preferred Stock is to be issued in a name other than that in which the certificate surrendered in exchange therefor is registered, it shall be a condition of the issuance thereof that the certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and that the

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person requesting such exchange shall have paid to Noble or its transfer agent any transfer or other taxes required by reason of the issuance of a certificate for shares of Noble Common Stock or $1.50 Noble Preferred Stock in any name other than that of the registered holder of the certificate surrendered, or established to the satisfaction of Noble or its transfer agent that such tax has been paid or is not payable.

(d) No fraction of a share of Noble Common Stock shall be issued, but in lieu thereof each holder of Chiles Common Stock who would otherwise be entitled to a fraction of a share of Noble Common Stock shall, upon surrender of the certificate formerly representing Chiles Common Stock held by such holder to Noble or its transfer agent, be paid an amount in cash equal to the value of such fraction of a share based upon the closing sales price of Noble Common Stock, as reported on the NASDAQ National Market System, on the last day on which there is a reported trade in the Noble Common Stock prior to the date on which the Effective Time occurs. No interest shall be paid on such amount. All shares of Chiles Common Stock held by a record holder shall be aggregated for purposes of computing the number of shares of Noble Common Stock to be issued pursuant to this Article I and cash in lieu of fractional shares payable hereunder.

(e) None of Noble, Sub, Chiles, the Surviving Corporation or their transfer agents shall be liable to a holder of the Shares for any amount properly paid to a public official pursuant to applicable property, escheat or similar laws.

1.9 Taking of Necessary Action; Further Action. The parties hereto shall take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the Merger as promptly as possible. If, at any time after the Effective Time, any such further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of Chiles or Sub, such corporations shall direct their respective officers and directors to take all such lawful and necessary action.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Noble and Sub. Noble and Sub hereby jointly and severally represent and warrant to Chiles that:

(a) Organization and Compliance with Law. Each of Noble and its consolidated subsidiaries (the "Noble Subsidiaries") is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is chartered or organized and has all requisite corporate power and corporate authority and all necessary governmental authorizations to own, lease and operate all of its properties and assets and to carry on its business as now being conducted, except where the failure to be so organized, existing or in good standing or to have such governmental authority would not have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole. Except as set forth in Section 2.1(a) of the disclosure letter delivered by Noble to Chiles on the date hereof (the "Noble Disclosure Letter"), each of Noble and the Noble Subsidiaries is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be duly qualified does not and would not, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole. Each of Noble and the Noble Subsidiaries is in compliance with all applicable laws, judgments, orders, rules and regulations, domestic and foreign, except where failure to be in such compliance would not have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole. Noble has heretofore delivered to Chiles true and complete copies of Noble's Restated Certificate of Incorporation (the "Noble Certificate") and bylaws as in existence on the date hereof.

(b) Capitalization.

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(i) The authorized capital stock of Noble consists of 75,000,000 shares of Noble Common Stock, par value $.10 per share, and 15,000,000 shares of preferred stock, par value $1.00 per share (subject to an amendment (the "Noble Charter Amendment") to the Noble Certificate to increase the authorized shares of Noble Common Stock to 200,000,000 shares to be proposed in connection with the Merger). As of May 31, 1994, there were issued and outstanding 48,390,873 shares of Noble Common Stock and 2,990,000 shares of $2.25 Convertible Exchangeable Preferred Stock (the "$2.25 Noble Preferred Stock"), and 250,000 shares of Noble Common Stock and no shares of $2.25 Noble Preferred Stock were held as treasury shares. As of May 31, 1994, (A) an aggregate of 19,755,352 shares of Noble Common Stock were reserved (subject, in the case of the 1991 Stock Option and Restricted Stock Plan, to an amendment to such plan to be proposed to increase the number of shares of Noble Common Stock subject thereto) for issuance and issuable pursuant to Noble's Thrift Plan, Field Hourly Employees' Retirement Plan and Noble (International) Employees' Retirement Savings Plan or upon the exercise of outstanding employee or non-employee director stock options granted under Noble's stock option plans and agreements or the conversion of the $2.25 Noble Preferred Stock, and (B) an indeterminable number of shares of Noble Common Stock (of up to at least 254,551 shares) were reserved for issuance pursuant to that certain Stock Purchase Agreement dated April 22, 1994 among Noble, Triton Engineering Services Company, Joseph E. Beall and George H. Bruce (the "Triton Agreement"). All issued shares of Noble Common Stock and $2.25 Noble Preferred Stock are validly issued, fully paid and nonassessable and no holder thereof is entitled to preemptive rights. All shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued pursuant to the Merger, when issued in accordance with this Agreement, will be validly issued, fully paid and nonassessable and will not violate the preemptive rights of any person. Except as set forth in Section 2.1(b) of the Noble Disclosure Letter, Noble is not a party to, and is not aware of, any voting agreement, voting trust or similar agreement or

arrangement relating to any class or series of its capital stock, or any agreement or arrangement providing for registration rights with respect to any capital stock or other securities of Noble.

(ii) As of May 31, 1994, there were outstanding options to purchase 2,095,775 shares of Noble Common Stock pursuant to the plans and agreements referenced in Section 2.1(b)(i) above (the "Noble Options"). Other than as set forth in this Section 2.1(b) and except for issuances contemplated by this Agreement in connection with the Merger and by the Triton Agreement, there are not now, and at the Effective Time there will not be, any (A) shares of capital stock or other equity securities of Noble outstanding (other than Noble Common Stock issued pursuant to the exercise of Noble Options as described herein or upon the conversion of any convertible securities of Noble outstanding on the date hereof) or (B) outstanding options, warrants, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of any class of capital stock of Noble, or contracts, understandings or arrangements to which Noble is a party, or by which it is or may be bound, to issue additional shares of its capital stock or options, warrants, scrip or rights to subscribe for, or securities or rights convertible into or exchangeable for, any additional shares of its capital stock.

(iii) Except as set forth in Section 2.1(b) of the Noble Disclosure Letter, all outstanding shares of capital stock of the Noble Subsidiaries are owned by Noble, a wholly-owned subsidiary of Noble or individuals who hold nominal quantities of shares on behalf of Noble or such a subsidiary as director's qualifying shares, free and clear of all liens, charges, encumbrances, adverse claims and options of any nature which are material to Noble and the Noble Subsidiaries, taken as a whole.

(iv) As of the date hereof, the authorized capital stock of Sub consists of 1,000 shares of common stock, par value $.01 per share, all of which are validly issued, fully paid and nonassessable and are owned by Noble.

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(c) Authorization and Validity of Agreement. Noble and Sub have all requisite corporate power and authority to enter into this Agreement and to perform their obligations hereunder. The execution and delivery by Noble and Sub of this Agreement and the consummation by each of them of the transactions contemplated hereby have been duly authorized by all necessary corporate action (subject only, with respect to the Merger, to the adoption of the Noble Charter Amendment and the approval of this Agreement by the stockholders of Noble as provided for in Section 4.3). On or prior to the date hereof, the Board of Directors of Noble has determined to recommend the adoption of the Noble Charter Amendment and the approval of the Merger to the stockholders of Noble, and such determination is in effect as of the date hereof. This Agreement has been duly executed and delivered by Noble and Sub and is the valid and binding obligation of Noble and Sub, enforceable against Noble and Sub in accordance with its terms.

(d) No Approvals or Notices Required; No Conflict with Instruments to which Noble or any of the Noble Subsidiaries is a Party. Neither the execution and delivery of this Agreement nor the performance by Noble or Sub of its obligations hereunder, nor the consummation of the transactions contemplated hereby by Noble and Sub, will (i) conflict with the Noble Certificate or the bylaws of Noble or the charter or bylaws of any of the Noble Subsidiaries; (ii) assuming satisfaction of the requirements set forth in clause (iii) below, violate any provision of law applicable to Noble or any of the Noble Subsidiaries; (iii) except for (A) requirements of Federal or state securities laws, (B) requirements arising out of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), (C) requirements of notice filings in such foreign jurisdictions as may be applicable, and (D) the filing of a certificate of merger by Sub in accordance with the DGCL, require any consent or approval of, or filing with or notice to, any public body or authority, domestic or foreign, under any provision of law applicable to Noble or any of the Noble Subsidiaries; or (iv) require any consent, approval or notice under, or violate, breach, be in conflict with or constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, or permit the termination of any provision of, or result in the creation or imposition of any lien upon any properties, assets or business of Noble or any of the Noble Subsidiaries under, any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit,

authorization, license, contract, instrument or other agreement or commitment or any order, judgment or decree to which Noble or any of the Noble Subsidiaries is a party or by which Noble or any of the Noble Subsidiaries or any of its or their assets or properties is bound or encumbered, except (A) those that have already been given, obtained or filed, (B) those that are required pursuant to bank loan agreements, as set forth in Section 2.1(d) of the Noble Disclosure Letter, which will be obtained prior to the Effective Time, and (C) those that, in the aggregate, would not have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole.

(e) Commission Filings; Financial Statements. Noble and each of the Noble Subsidiaries have filed all reports, registration statements and other filings, together with any amendments required to be made with respect thereto, that they have been required to file with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All reports, registration statements and other filings (including all notes, exhibits and schedules thereto and documents incorporated by reference therein) filed by Noble with the Commission since January 1, 1992, through the date of this Agreement, together with any amendments thereto, are sometimes collectively referred to as the "Noble Commission Filings". Noble has heretofore delivered to Chiles copies of the Noble Commission Filings. As of the respective dates of their filing with the Commission, the Noble Commission Filings complied in all material respects with the Securities Act, the Exchange Act and the rules and regulations of the Commission thereunder, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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All material contracts of Noble and the Noble Subsidiaries have been included in the Noble Commission Filings, except for those contracts not required to be filed pursuant to the rules and regulations of the Commission.

Each of the consolidated financial statements (including any related notes or schedules) included in the Noble Commission Filings was prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as may be noted therein or in the notes or schedules thereto) and complied with all applicable rules and regulations of the Commission. Such consolidated financial statements fairly present the consolidated financial position of Noble and the Noble Subsidiaries as of the dates thereof and the results of operations, cash flows and changes in shareholders' equity for the periods then ended (subject, in the case of the unaudited interim financial statements, to normal year-end audit adjustments on a basis comparable with past periods). As of the date hereof, Noble has no liabilities, absolute or contingent, that may reasonably be expected to have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole, that are not reflected in the Noble Commission Filings, except (i) those incurred in the ordinary course of business consistent with past operations and not relating to the borrowing of money, and (ii) those set forth in Section 2.1 (e) of the Noble Disclosure Letter.

(f) Conduct of Business in the Ordinary Course; Absence of Certain Changes and Events. Since January 1, 1994, except as contemplated by this Agreement or as disclosed in the Noble Commission Filings filed with the Commission prior to the date hereof or as set forth in Section 2.1(f) of the Noble Disclosure Letter, Noble and the Noble Subsidiaries have conducted their business only in the ordinary and usual course, and there has not been (i) any material adverse change in the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole, or any condition, event or development that reasonably may be expected to result in any such material adverse change; (ii) any material change by Noble in its accounting methods, principles or practices; (iii) any revaluation by Noble or any of the Noble Subsidiaries of any of its or their assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivable other than in the ordinary course of business; (iv) any entry by Noble or any of the Noble Subsidiaries into any commitment or transaction material to Noble and the Noble Subsidiaries, taken as a whole; (v) any declaration, setting aside or payment of any dividends or distributions in respect of the Noble Common Stock, or any redemption, purchase or other acquisition of any of its securities or any securities of any of the Noble

Subsidiaries; (vi) any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting the properties or business of Noble and the Noble Subsidiaries, taken as a whole; (vii) any increase in indebtedness for borrowed money other than borrowings under existing credit facilities; (viii) any granting of a security interest or lien on any material property or assets of Noble and the Noble Subsidiaries, taken as a whole, other than (A) liens for taxes not due and payable or which are being contested in good faith; (B) maritime liens and mechanics', warehousemen's and other statutory liens incurred in the ordinary course of business; and (C) defects and irregularities in title and encumbrances which are not substantial in character or amount and do not materially impair the use of the property or asset in question (collectively, "Permitted Liens"); or (ix) any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards or restricted stock awards), stock purchase or other employee benefit plan or any other increase in the compensation payable or to become payable to any officers or key employees of Noble or any of the Noble Subsidiaries.

(g) Litigation. Except as disclosed in the Noble Commission Filings or as set forth in Section 2.1(g) of the Noble Disclosure Letter, there are no claims, actions, suits, investigations, inquiries or proceedings pending or, to the knowledge of Noble, overtly threatened against or affecting

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Noble or any of the Noble Subsidiaries or any of their respective properties at law or in equity, or any of their respective employee benefit plans or fiduciaries of such plans, or before or by any federal, state, municipal or other governmental agency or authority, or before any arbitration board or panel, wherever located, that individually or in the aggregate if adversely determined would have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole, or that involve the risk of criminal liability.

(h) Employee Benefit Plans.

(i) Section 2.1(h) of the Noble Disclosure Letter provides a description of each of the following which is sponsored, maintained or contributed to by Noble, a Noble Subsidiary or any corporation, trade, business or entity under common control with Noble or a Noble Subsidiary within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA (a "Noble ERISA Affiliate") for the benefit of its employees, or has been so sponsored, maintained or contributed to within six years prior to the Closing Date:

(A) each "employee benefit plan," as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), ("Plan"); and

(B) each personnel policy, stock option plan, collective bargaining agreement, bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan, policy or agreement, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, consulting agreement, employment agreement and each other employee benefit plan, agreement, arrangement, program, practice or understanding that is not described in Section 2.1(h)(i)(A) ("Benefit Program or Agreement").

True and complete copies of each of the Plans, Benefit Programs or Agreements, related trusts, if applicable, and all amendments thereto, have been furnished to Chiles.

(ii) Except as otherwise set forth in Section 2.1(h) of the Noble Disclosure Letter,

(A) None of Noble, any Noble Subsidiary or any Noble ERISA Affiliate contributes to or has an obligation to contribute to, or has at any time contributed to or had an obligation to contribute to, a plan subject to Title IV of ERISA, including, without limitation, a multiemployer plan within the meaning of Section 3(37) of ERISA;

(B) Each Plan and each Benefit Program or Agreement has been administered, maintained and operated in all material respects in accordance with the terms thereof and in

compliance with its governing documents and applicable law (including, where applicable, ERISA and the Code);

(C) There is no matter pending with respect to any of the Plans before any governmental agency, and there are no actions, suits or claims pending (other than routine claims for benefits) or threatened against, or with respect to, any of the Plans or Benefit Programs or Agreements or their assets;

(D) No act, omission or transaction has occurred which would result in imposition on Noble, any Noble Subsidiary or any Noble ERISA Affiliate of breach of fiduciary duty liability damages under Section 409 of ERISA, a civil penalty assessed pursuant to Subsections (c), (i) or (l) of Section 502 of ERISA or a tax imposed pursuant to Chapter 43 of Subtitle D of the Code; and

(E) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not require Noble, any Noble Subsidiary or any Noble ERISA Affiliate to make a larger contribution to, or pay greater benefits under, any Plan or

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Benefit Program or Agreement than it otherwise would or create or give rise to any additional vested rights or service credits under any Plan or Benefit Program or Agreement.

(iii) Termination of employment of any employee of Noble, any Noble Subsidiary or any Noble ERISA Affiliate immediately after consummation of the transactions contemplated by this Agreement would not result in payments under the Plans, Benefit Programs or Agreements which, in the aggregate, would result in imposition of the sanctions imposed under Sections 280G and 4999 of the Code.

(iv) Each Plan which is an "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA, may be unilaterally amended or terminated in its entirety without liability except as to benefits accrued thereunder prior to such amendment or termination.

(v) Except as set forth in Section 2.1(h) of the Noble Disclosure Letter, none of the employees of Noble, any of the Noble Subsidiaries or any Noble ERISA Affiliate are subject to union or collective bargaining agreements.

(i) Taxes. Except as set forth in Section 2.1(i) of the Noble Disclosure Letter, all returns and reports, including, without limitation, information and withholding returns and reports ("Tax Returns"), of or relating to any foreign, federal, state or local tax, assessment or other governmental charge ("Taxes" or a "Tax") that are required to be filed on or before the Closing Date by or with respect to Noble or any of the Noble Subsidiaries, or any other corporation that is or was a member of an affiliated group (within the meaning of Section 1504(a) of the Code) of corporations of which Noble was a member for any period ending on or prior to the Closing Date, have been or will be duly and timely filed, and all Taxes, including interest and penalties, due and payable pursuant to such Tax Returns have been paid or, except as set forth in Section 2.1(i) of the Noble Disclosure Letter, adequately provided for in reserves established by Noble, except where the failure to file, pay or provide for would not have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole. Except as set forth in Section 2.1(i) of the Noble Disclosure Letter, all U.S. Federal income Tax Returns of or with respect to Noble and the Noble Subsidiaries have been audited by the applicable governmental authority, or the applicable statute of limitations has expired, for all periods up to and including the taxable year ended December 31, 1989. Except as set forth in Section 2.1(i) of the Noble Disclosure Letter, there is no material claim against Noble or any of the Noble Subsidiaries with respect to any Taxes, and no material assessment, deficiency or adjustment has been asserted or proposed with respect to any Tax Return of or with respect to Noble or any of the Noble Subsidiaries that has not been adequately provided for in reserves established by Noble. The total amounts set up as liabilities for current and deferred Taxes in the consolidated financial statements included in the Noble Commission Filings have been prepared in accordance with generally accepted

accounting principles and, except as set forth in Section 2.1(i) of the Noble Disclosure Letter, are sufficient to cover the payment of all material Taxes, including any penalties or interest thereon and whether or not assessed or disputed, that are, or are hereafter found to be, or to have been, due with respect to the operations of Noble and the Noble Subsidiaries through the periods covered thereby. Noble and each of the Noble Subsidiaries have (and as of the Closing Date will have) made all deposits (including estimated tax payments for taxable years for which the consolidated federal income tax return is not yet due) required with respect to Taxes. Except as set forth in Section 2.1(i) of the Noble Disclosure Letter, no waiver or extension of any statute of limitations as to any federal, local or foreign Tax matter has been given by or requested from Noble or any of the Noble Subsidiaries. Except for statutory liens for current Taxes not yet due, no liens for Taxes exist upon the assets of either Noble or the Noble Subsidiaries. Except as set forth in Section 2.1(i) of the Noble Disclosure Letter, neither Noble nor any of the Noble Subsidiaries has filed consolidated income Tax Returns with any corporation, other than consolidated federal and state income Tax Returns by Noble, for any taxable period which is not now closed by the applicable statute of limitations. Except as set forth in Section 2.1(i) of the Noble

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Disclosure Letter, neither Noble nor any of the Noble Subsidiaries has any deferred intercompany gain as defined in Treasury Regulation Section 1.1502-13.

Noble has no present plan or intention after the Merger to (i) liquidate the Surviving Corporation, (ii) merge the Surviving Corporation with or into another corporation, (iii) sell or otherwise dispose of the stock of the Surviving Corporation, (iv) cause or permit the Surviving Corporation to sell or otherwise dispose of any of the assets of Chiles or the assets of Sub vested in the Surviving Corporation except for dispositions made in the ordinary course of business or transfers of assets to a corporation controlled by the Surviving Corporation within the meaning of Section 368(a)(2)(C) of the Code, (v) reacquire any of the stock issued to the Chiles stockholders pursuant to the Merger, or (vi) cause or permit the Surviving Corporation to discontinue the historic business of Chiles.

(j) Environmental Matters. Except for matters disclosed in Section 2.1(j) of the Noble Disclosure Letter and except for matters that in the aggregate would not have a material adverse effect on the financial condition, results of operations or business of Noble and the Noble Subsidiaries, taken as a whole, (i) the properties, operations and activities of Noble and the Noble Subsidiaries comply with all applicable Environmental Laws (as defined below); (ii) Noble and the Noble Subsidiaries and the properties and operations of Noble and the Noble Subsidiaries are not subject to any existing, pending or, to the knowledge of Noble, threatened action, suit, investigation, inquiry or proceeding by or before any governmental authority under any Environmental Law; (iii) all notices, permits, licenses, or similar authorizations, if any, required to be obtained or filed by Noble or the Noble Subsidiaries under any Environmental Law in connection with any aspect of the business of Noble or the Noble Subsidiaries, including without limitation those relating to the treatment, storage, disposal or release of a hazardous substance or solid waste, have been duly obtained or filed and will remain valid and in effect after the Merger, and Noble and the Noble Subsidiaries are in compliance with the terms and conditions of all such notices, permits, licenses and similar authorizations; (iv) Noble and the Noble Subsidiaries have satisfied and are currently in compliance with all financial responsibility requirements applicable to their operations and imposed by the U.S. Coast Guard and Minerals Management Service pursuant to OPA (as hereinafter defined) or by any other governmental authority under any other Environmental Law, and Noble and the Noble Subsidiaries have not received any notice of noncompliance with any such financial responsibility requirements; (v) to Noble's knowledge, there are no physical or environmental conditions existing on any property of Noble and the Noble Subsidiaries or resulting from Noble's and the Noble Subsidiaries' operations or activities, past or present, at any location, that would give rise to any on-site or off-site remedial obligations under any Environmental Laws; (vi) to Noble's knowledge, since the effective date of the relevant requirements of applicable Environmental Laws, all hazardous substances or solid wastes generated by Noble and the Noble Subsidiaries or used in connection with their properties or operations have been transported only by carriers authorized under Environmental Laws to transport such substances and wastes, and disposed of only at treatment, storage, and disposal facilities authorized under environmental laws to treat, store or dispose of such substances and wastes, and, to the knowledge of Noble, such carriers and facilities have been and are operating in compliance with such authorizations

and are not the subject of any existing, pending, or overtly threatened action, investigation, or inquiry by any governmental authority in connection with any Environmental Laws; (vii) there has been no exposure of any person or property to hazardous substances, solid waste, or any pollutant or contaminant, nor has there been any release of hazardous substances, solid waste, or any pollutant or contaminant into the environment by Noble or the Noble Subsidiaries or in connection with their properties or operations that could reasonably be expected to give rise to any claim for damages or compensation; and (viii) Noble and the Noble Subsidiaries shall make available to Chiles all internal and external environmental audits and studies and all correspondence on substantial environmental matters in the possession of Noble and the Noble Subsidiaries relating to any of the current or former properties or operations of Noble and the Noble Subsidiaries; provided that neither Noble nor any of the

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Noble Subsidiaries shall be required to make available any such audits, studies or correspondence that may be subject to the attorney-client privilege or similar privilege.

For purposes of this Agreement, the term "Environmental Laws" shall mean any and all laws, statutes, ordinances, rules, regulations, orders or determinations of any Governmental Authority pertaining to health or the environment currently in effect in any and all jurisdictions in which the party in question and its subsidiaries own property or conduct business, including without limitation, the Clean Air Act, as amended, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended, the Federal Water Pollution Control Act, as amended, the Occupational Safety and Health Act of 1970, as amended, the Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Hazardous & Solid Waste Amendments Act of 1984, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Hazardous Materials Transportation Act, as amended, the Oil Pollution Act of 1990 ("OPA"), any state laws pertaining to the handling of oil and gas exploration and production wastes or the use, maintenance, and closure of pits and impoundments, and all other environmental conservation or protection laws. For purposes of this Agreement, the terms "hazardous substance" and "release" have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" have the meanings specified in RCRA; provided, however, that to the extent the laws of the state in which the property is located establish a meaning for "hazardous substance," "release," "solid waste" or "disposal" that is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply. For purposes of this Agreement, the term "Governmental Authority" includes the United States, the state, county, city, and political subdivisions in which the party in question owns property or conducts business, and any agency, department, commission, board, bureau or instrumentality of any of them that exercises jurisdiction over the party in question.

(k) Severance Payments. Except as set forth in Section 2.1(k) of the Noble Disclosure Letter, none of Noble or the Noble Subsidiaries will owe a severance payment or similar obligation to any of their respective employees, officers or directors as a result of the Merger or the transactions contemplated by this Agreement, nor will any of such persons be entitled to an increase in severance payments or other benefits as a result of the Merger or the transactions contemplated by this Agreement in the event of the subsequent termination of their employment.

(l) Voting Requirements. The affirmative vote of the holders of a majority of the outstanding shares of Noble Common Stock is the only vote of the holders of any class or series of the capital stock of Noble necessary to approve the Noble Charter Amendment; and the affirmative vote of the holders of a majority of the shares of Noble Common Stock present at the Noble special stockholders' meeting convened in accordance with Section 4.3 and entitled to vote thereon is the only vote of the holders of any class or series of the capital stock of Noble necessary to approve this Agreement.

(m) Interim Operations of Sub. Sub was formed solely for the purpose of engaging in the transactions contemplated hereby, has engaged in no other business activities and has conducted its operations only as contemplated hereby.

2.2 Representations and Warranties of Chiles. Chiles hereby represents and warrants to Noble that:

(a) Organization and Compliance with Law. Each of Chiles and its consolidated subsidiaries (the "Chiles Subsidiaries") is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is chartered or organized and has all requisite corporate power and corporate authority and all necessary governmental authorizations to own, lease and operate all of its properties and assets and to carry on its business as now being conducted, except where the failure to be so organized, existing or in good standing or to have such governmental authority would not have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole. Except as set forth in Section

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2.2(a) of the disclosure letter delivered by Chiles to Noble on the date hereof (the "Chiles Disclosure Letter"), each of Chiles and the Chiles Subsidiaries is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be duly qualified does not and would not, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole. Each of Chiles and the Chiles Subsidiaries is in compliance with all applicable laws, judgments, orders, rules and regulations, domestic and foreign, except where failure to be in such compliance would not have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole. Chiles has heretofore delivered to Noble true and complete copies of Chiles's Certificate of Incorporation (the "Chiles Certificate") and bylaws as in existence on the date hereof.

(b) Capitalization.

(i) The authorized capital stock of Chiles consists of 60,000,000 shares of Chiles Common Stock, par value $.01 per share, and 10,000,000 shares of Chiles Preferred Stock, par value $1.00 per share. As of May 31, 1994, there were issued and outstanding 38,131,780 shares of Chiles Common Stock, and 4,025,000 shares of Chiles Preferred Stock and no shares of Chiles Common Stock or Chiles Preferred Stock were held as treasury shares. A total of 3,400,000 shares of Chiles Common Stock have been reserved for issuance pursuant to the stock option plans described in Section 2.2(b)(ii). All issued shares of Chiles Common Stock are validly issued, fully paid and nonassessable and no holder thereof is entitled to preemptive rights. Except as set forth in Section 2.2(b) of the Chiles Disclosure Letter, Chiles is not a party to, and is not aware of, any voting agreement, voting trust or similar agreement or arrangement relating to any class or series of its capital stock, or any agreement or arrangement providing for registration rights with respect to any capital stock or other securities of Chiles.

(ii) As of the date hereof, there are outstanding options (the "Chiles Options") to purchase an aggregate of 1,073,800 shares of Chiles Common Stock under the Amended and Restated 1990 Stock Option Plan (the "Chiles 1990 Plan"). There are no options outstanding under Chiles's 1994 Stock Option Plan. Other than as set forth in this Section 2.2(b), there are not now, and at the Effective Time there will not be, any (A) shares of capital stock or other equity securities of Chiles outstanding other than Chiles Common Stock issued pursuant to the exercise of Chiles Options or upon the conversion of any convertible securities of Chiles outstanding on the date hereof as described herein or (B) outstanding options, warrants, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of any class of capital stock of Chiles, or contracts, understandings or arrangements to which Chiles is a party, or by which it is or may be bound, to issue additional shares of its capital stock or options, warrants, scrip or rights to subscribe for, or securities or rights convertible into or exchangeable for, any additional shares of its capital stock.

(iii) Except as set forth in Section 2.2(b) of the Chiles Disclosure Letter, all outstanding shares of capital stock of the Chiles Subsidiaries are owned by Chiles or a wholly-owned subsidiary of Chiles, free and clear of all liens, charges, encumbrances, adverse claims and options of any nature which are material to Chiles and the Chiles Subsidiaries, taken as a whole.

(c) Authorization and Validity of Agreement. Chiles has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by Chiles of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action (subject only, with respect to the Merger, to approval of this Agreement by its stockholders as provided for in Section 3.3). On or prior to the date hereof the Board of Directors of Chiles has determined to recommend approval of the Merger to the stockholders of Chiles, and such

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determination is in effect as of the date hereof. This Agreement has been duly executed and delivered by Chiles and is the valid and binding obligation of Chiles, enforceable against Chiles in accordance with its terms.

(d) No Approvals or Notices Required; No Conflict with Instruments to which Chiles or any of the Chiles Subsidiaries is a Party. Except as set forth in Section 2.2(d) of the Chiles Disclosure Letter, neither the execution and delivery of this Agreement nor the performance by Chiles of its obligations hereunder, nor the consummation of the transactions contemplated hereby by Chiles, will (i) conflict with the Chiles Certificate or the bylaws of Chiles or the charter or bylaws of any of the Chiles Subsidiaries; (ii) assuming satisfaction of the requirements set forth in clause (iii) below, violate any provision of law applicable to Chiles or any of the Chiles Subsidiaries; (iii) except for (A) requirements of Federal or state securities laws, (B) requirements arising out of the HSR Act, (C) requirements of notice filings in such foreign jurisdictions as may be applicable, and (D) the filing of articles of merger in accordance with the DGCL, require any consent or approval of, or filing with or notice to, any public body or authority, domestic or foreign, under any provision of law applicable to Chiles or any of the Chiles Subsidiaries; or (iv) require any consent, approval or notice under, or violate, breach, be in conflict with or constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, or permit the termination of any provision of, or result in the creation or imposition of any lien upon any properties, assets or business of Chiles or any of the Chiles Subsidiaries under, any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit, authorization, license, contract, instrument or other agreement or commitment or any order, judgment or decree to which Chiles or any of the Chiles Subsidiaries is a party or by which Chiles or any of the Chiles Subsidiaries or any of its or their assets or properties is bound or encumbered, except (A) those that have already been given, obtained or filed, (B) those that are required pursuant to bank loan agreements or leasing arrangements, as set forth in Section 2.2(d) of the Chiles Disclosure Letter, which will be obtained prior to the Effective Time, and (C) those that, in the aggregate, would not have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole.

(e) Commission Filings; Financial Statements. Chiles and each of the Chiles Subsidiaries have filed all reports, registration statements and other filings, together with any amendments required to be made with respect thereto, that they have been required to file with the Commission under the Securities Act and the Exchange Act. All reports, registration statements and other filings (including all notes, exhibits and schedules thereto and documents incorporated by reference therein) filed by Chiles with the Commission since January 1, 1992 through the date of this Agreement, together with any amendments thereto, are sometimes collectively referred to as the "Chiles Commission Filings." Chiles has heretofore delivered to Noble copies of the Chiles Commission Filings. As of the respective dates of their filing with the Commission, the Chiles Commission Filings complied in all material respects with the Securities Act, the Exchange Act and the rules and regulations of the Commission thereunder, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

All material contracts of Chiles and the Chiles Subsidiaries have been included in the Chiles Commission Filings, except for those contracts not required to be filed pursuant to the rules and regulations of the Commission.

Each of the consolidated financial statements (including any related notes or schedules) included in the Chiles Commission Filings was prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as may be noted therein or in the notes or schedules thereto) and

complied with the rules and regulations of the Commission. Such consolidated financial statements fairly present the consolidated

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financial position of Chiles and the Chiles Subsidiaries as of the dates thereof and the results of operations, cash flows and changes in shareholders' equity for the periods then ended (subject, in the case of the unaudited interim financial statements, to normal year-end audit adjustments on a basis comparable with past periods). As of the date hereof, Chiles has no liabilities, absolute or contingent, that may reasonably be expected to have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole, that are not reflected in the Chiles Commission Filings, except (i) those incurred in the ordinary course of business consistent with past operations and not relating to the borrowing of money, and (ii) those set forth in Section 2.2(e) of the Chiles Disclosure Letter.

(f) Conduct of Business in the Ordinary Course; Absence of Certain Changes and Events. Since January 1, 1994, except as contemplated by this Agreement or as disclosed in the Chiles Commission Filings filed with the Commission prior to the date hereof or as set forth in Section 2.2(f) of the Chiles Disclosure Letter, Chiles and the Chiles Subsidiaries have conducted their business only in the ordinary and usual course, and there has not been (i) any material adverse change in the financial condition, results of operations, or business of Chiles and the Chiles Subsidiaries, taken as a whole, or any condition, event or development that reasonably may be expected to result in any such material adverse change; (ii) any material change by Chiles in its accounting methods, principles or practices; (iii) any revaluation by Chiles or any of the Chiles Subsidiaries of any of its or their assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivable other than in the ordinary course of business; (iv) any entry by Chiles or any of the Chiles Subsidiaries into any commitment or transaction material to Chiles and the Chiles Subsidiaries, as a whole; (v) any declaration, setting aside or payment of any dividends or distributions in respect of the Chiles Common Stock or any redemption, purchase or other acquisition of any of its securities or any securities of any of the Chiles Subsidiaries; (vi) any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting the properties or business of Chiles and the Chiles Subsidiaries, taken as a whole; (vii) any increase in indebtedness for borrowed money; (viii) any granting of a security interest or lien on any material property or assets of Chiles and the Chiles Subsidiaries, taken as a whole, other than Permitted Liens; or (ix) any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards or restricted stock awards), stock purchase or other employee benefit plan or any other increase in the compensation payable or to become payable to any officers or key employees of Chiles or any of the Chiles Subsidiaries.

(g) Litigation. Except as disclosed in the Chiles Commission Filings or as set forth in Section 2.2(g) of the Chiles Disclosure Letter, there are no claims, actions, suits, investigations, inquiries or proceedings pending or, to the knowledge of Chiles, overtly threatened against or affecting Chiles or any of the Chiles Subsidiaries or any of their respective properties at law or in equity, or any of their respective employee benefit plans or fiduciaries of such plans, or before or by any federal, state, municipal or other governmental agency or authority, or before any arbitration board or panel, wherever located, that individually or in the aggregate if adversely determined would have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole, or that involve the risk of criminal liability.

(h) Employee Benefit Plans.

(i) Section 2.2(h) of the Chiles Disclosure Letter provides a description of each Plan or Benefit Program or Agreement which is sponsored, maintained or contributed to by Chiles, a Chiles Subsidiary or any corporation, trade, business or entity under common control with Chiles or a Chiles Subsidiary within the meaning of Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA (an "Chiles ERISA Affiliate") for the benefit of its employees, or has been so sponsored, maintained or contributed to within six years prior to the Closing Date. True and

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complete copies of each of the Plans, Benefit Programs or Agreements, related trusts, if applicable, and all amendments thereto, have been furnished to Noble.

(ii) Except as otherwise set forth in Section 2.2(h) of the Chiles Disclosure Letter,

(A) None of Chiles, any Chiles Subsidiary or any Chiles ERISA Affiliate contributes to or has an obligation to contribute to, or has at any time contributed to or had an obligation to contribute to, a plan subject to Title IV of ERISA, including, without limitation, a multiemployer plan within the meaning of Section 3(37) of ERISA;

(B) Each Plan and each Benefit Program or Agreement has been administered, maintained and operated in all material respects in accordance with the terms thereof and in compliance with its governing documents and applicable law (including, where applicable, ERISA and the Code);

(C) There is no matter pending with respect to any of the Plans before any governmental agency, and there are no actions, suits or claims pending (other than routine claims for benefits) or threatened against, or with respect to, any of the Plans or Benefit Programs or Agreements or their assets;

(D) No act, omission or transaction has occurred which would result in imposition on Chiles, any Chiles Subsidiary or any Chiles ERISA Affiliate of breach of fiduciary duty liability damages under Section 409 of ERISA, a civil penalty assessed pursuant to subSections (c), (i) or (l) of Section 502 of ERISA or a tax imposed pursuant to Chapter 43 of Subtitle D of the Code; and

(E) Except as provided in Section 5.11, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not require Chiles, any Chiles Subsidiary or any Chiles ERISA Affiliate to make a larger contribution to, or pay greater benefits under, any Plan, Benefit Program or Agreement than it otherwise would or create or give rise to any additional vested rights or service credits under any Plan or Benefit Program or Agreement.

(iii) Termination of employment of any employee of Chiles, any Chiles Subsidiary or any Chiles ERISA Affiliate immediately after consummation of the transactions contemplated by this Agreement would not result in payments under the Plans, Benefit Programs or Agreements which, in the aggregate, would result in imposition of the sanctions imposed under Sections 280G and 4999 of the Code.

(iv) Each Plan which is an "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA, may be unilaterally amended or terminated in its entirety without liability except as to benefits accrued thereunder prior to such amendment or termination.

(v) None of the employees of Chiles, any of the Chiles Subsidiaries or any Chiles ERISA Affiliate are subject to union or collective bargaining agreements.

(i) Taxes. Except as set forth in Section 2.2(i) of the Chiles Disclosure Letter, all Tax Returns of or relating to any Tax that are required to be filed on or before the Closing Date by or with respect to Chiles or any of the Chiles Subsidiaries, or any other corporation that is or was a member of an affiliated group (within the meaning of Section 1504 (a) of the Code) of corporations of which Chiles was a member for any period ending on or prior to the Closing Date, have been or will be duly and timely filed, and all Taxes, including interest and penalties, due and payable pursuant to such Tax Returns have been paid or adequately provided for in reserves established by Chiles, except where the failure to file, pay or provide for would not have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole. Except as set forth in Section 2.2(i) of the Chiles Disclosure Letter, all U.S. Federal income Tax Returns of or with respect to Chiles or any of the Chiles Subsidiaries have been audited by the applicable governmental authority, or the applicable

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statute of limitations has expired, for all periods up to and including the tax year ended December 31, 1989. There is no material claim against Chiles or any of the Chiles Subsidiaries with respect to any Taxes, and no material assessment, deficiency or adjustment has been asserted or proposed with respect to any Tax Return of or with respect to Chiles or any of the Chiles Subsidiaries that has not been adequately provided for in reserves established by Chiles. The total amounts set up as liabilities for current and deferred Taxes in the consolidated financial statements included in the Chiles Commission Filings have been prepared in accordance with generally accepted accounting principles and are sufficient to cover the payment of all material Taxes, including any penalties or interest thereon and whether or not assessed or disputed, that are, or are hereafter found to be, or to have been, due with respect to the operations of Chiles and the Chiles Subsidiaries through the periods covered thereby. Chiles and each of the Chiles Subsidiaries have (and as of the Closing Date will have) made all deposits (including estimated tax payments for taxable years for which the consolidated federal income tax return is not yet due) required with respect to Taxes. Except as set forth in Section 2.2(i) of the Chiles Disclosure Letter, no waiver or extension of any statute of limitations as to any federal, local or foreign Tax matter has been given by or requested from Chiles or any of the Chiles Subsidiaries. Except for statutory liens for current Taxes not yet due, no liens for Taxes exist upon the assets of either Chiles or the Chiles Subsidiaries. Except as set forth in Section 2.2(i) of the Chiles Disclosure Letter, neither Chiles nor any of the Chiles Subsidiaries has filed consolidated income Tax Returns with any corporation, other than consolidated federal and state income Tax Returns by Chiles, for any taxable period which is not now closed by the applicable statute of limitations. Neither Chiles nor the Chiles Subsidiaries has any deferred intercompany gain as defined in Treasury Regulation Section 1.1502-13.

In the Merger, at least 90% of the fair market value of Chiles's net assets and at least 70% of the fair market value of Chiles's gross assets held immediately prior to the Merger will be vested in Sub. For purposes of this representation, amounts paid by Chiles to stockholders who receive cash or other property, amounts used by Chiles to pay reorganization expenses, and all redemptions and distributions (except for regular, normal dividends) made by Chiles will be included as assets of Chiles immediately prior to the Merger. As of the Closing Date, there is no plan or intention by the stockholders of Chiles to sell, exchange or otherwise dispose of a number of shares of Noble received in the Merger that would reduce the Chiles stockholders' ownership of Noble shares to a number of shares having a value, as of the date of the Merger, of less than 50% of the value of all of the formerly outstanding Shares as of the same date. For purposes of this representation, Shares exchanged for cash or other property or exchanged in lieu of fractional shares of Noble will be treated as outstanding Shares on the date of the Merger. Moreover, the shares of Noble held by the Chiles stockholders and otherwise sold, redeemed or disposed of prior or subsequent to the Merger will be considered in making this representation.

(j) Environmental Matters. Except for matters disclosed in Section 2.2(j) of the Chiles Disclosure Letter and except for matters that in the aggregate would not have a material adverse effect on the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole, (i) the properties, operations and activities of Chiles and the Chiles Subsidiaries comply with all applicable Environmental Laws; (ii) Chiles and the Chiles Subsidiaries and the properties and operations of Chiles and the Chiles Subsidiaries are not subject to any existing, pending or, to the knowledge of Chiles, threatened action, suit, investigation, inquiry or proceeding by or before any governmental authority under any Environmental Law; (iii) all notices, permits, licenses, or similar authorizations, if any, required to be obtained or filed by Chiles or the Chiles Subsidiaries under any Environmental Law in connection with any aspect of the business of Chiles or the Chiles Subsidiaries, including without limitation those relating to the treatment, storage, disposal or release of a hazardous substance or solid waste, have been duly obtained or filed and will remain valid and in effect after the Merger, and Chiles and the Chiles Subsidiaries are in compliance with the terms and conditions of all such notices, permits, licenses and similar authorizations; (iv) Chiles and the Chiles

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Subsidiaries have satisfied and are currently in compliance with all financial responsibility requirements applicable to their operations and imposed by the U.S. Coast Guard and Minerals Management Service pursuant to OPA (as hereinafter defined) or by any other governmental authority under any other Environmental Law, and Chiles and the Chiles Subsidiaries have not received any notice of noncompliance with any such financial responsibility

requirements; (v) to Chiles's knowledge, there are no physical or environmental conditions existing on any property of Chiles and the Chiles Subsidiaries or resulting from Chiles's and the Chiles Subsidiaries' operations or activities, past or present, at any location, that would give rise to any on-site or off-site remedial obligations under any Environmental Laws; (vi) to Chiles's knowledge, since the effective date of the relevant requirements of applicable Environmental Laws, all hazardous substances or solid wastes generated by Chiles and the Chiles Subsidiaries or used in connection with their properties or operations have been transported only by carriers authorized under Environmental Laws to transport such substances and wastes, and disposed of only at treatment, storage, and disposal facilities authorized under environmental laws to treat, store or dispose of such substances and wastes, and, to the knowledge of Chiles, such carriers and facilities have been and are operating in compliance with such authorizations and are not the subject of any existing, pending, or overtly threatened action, investigation, or inquiry by any governmental authority in connection with any Environmental Laws; (vii) there has been no exposure of any person or property to hazardous substances, solid waste, or any pollutant or contaminant, nor has there been any release of hazardous substances, solid waste, or any pollutant or contaminant into the environment by Chiles or the Chiles Subsidiaries or in connection with their properties or operations that could reasonably be expected to give rise to any claim for damages or compensation; and (viii) Chiles and the Chiles Subsidiaries shall make available to Noble all internal and external environmental audits and studies and all correspondence on substantial environmental matters in the possession of Chiles and the Chiles Subsidiaries relating to any of the current or former properties or operations of Chiles and the Chiles Subsidiaries; provided that neither Chiles nor any of the Chiles Subsidiaries shall be required to make available any such audits, studies or correspondence that may be subject to the attorney-client privilege or similar privilege.

(k) Severance Payments. Except as set forth in Section 2.2(k) of the Chiles Disclosure Letter, none of Chiles or the Chiles Subsidiaries will owe a severance payment or similar obligation to any of their respective employees, officers or directors as a result of the Merger or the transactions contemplated by this Agreement, nor will any of such persons be entitled to an increase in severance payments or other benefits as a result of the Merger or the transactions contemplated by this Agreement in the event of the subsequent termination of their employment.

(l) Voting Requirements. The affirmative vote of the holders of a majority of the outstanding shares of Chiles Common Stock is the only vote of the holders of any class or series of the capital stock of Chiles necessary to approve this Agreement and the Merger.

ARTICLE III

COVENANTS OF CHILES PRIOR TO THE EFFECTIVE TIME

3.1 Conduct of Business by Chiles Pending the Merger. Chiles covenants and agrees that, from the date of this Agreement until the Effective Time, unless Noble shall otherwise agree in writing or as otherwise expressly contemplated by this Agreement or set forth in Section 3.1 of the Chiles Disclosure Letter:

(a) the business of Chiles and the Chiles Subsidiaries shall be conducted only in, and Chiles and the Chiles Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice; in addition, from and after the date of this Agreement, Chiles shall not, and shall not permit any of the Chiles Subsidiaries to, (i) enter into any new drilling contracts with respect to any of Chiles' drilling rigs unless in the good faith opinion of Chiles such contracts may

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reasonably be expected to have a duration of 90 days or less, or amend in any material respect adverse to Chiles or Noble any drilling contract or other material contract or agreement, without giving prior written notice to Noble, or (ii) mobilize any of Chiles' drilling rigs from the Gulf of Mexico or from the West African coast, without giving prior written notice to Noble;

(b) Chiles shall not directly or indirectly do any of the following: (i) issue, sell, pledge, dispose of or encumber, or permit any Chiles Subsidiary to issue, sell, pledge, dispose of or encumber, (A) any capital stock of Chiles or any Chiles Subsidiary except upon the exercise of Chiles Options or upon conversion of

any convertible securities of Chiles outstanding as of the date of this Agreement or (B) other than in the ordinary course of business and consistent with past practice and not relating to the borrowing of money, any assets of Chiles or any Chiles Subsidiary; (ii) amend or propose to amend the respective charters or bylaws of Chiles or any Chiles Subsidiary; (iii) split, combine or reclassify any outstanding capital stock, or declare, set aside or pay any dividend payable in cash, stock, property or otherwise with respect to its capital stock whether now or hereafter outstanding other than its regular quarterly cash dividends on the Chiles Preferred Stock; (iv) redeem, purchase or acquire or offer to acquire, or permit any of the Chiles Subsidiaries to redeem, purchase or acquire or offer to acquire, any of its or their capital stock; (v) except in the ordinary course of business and consistent with past practice, enter into any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 3.1(b); (vi) enter into, adopt or (except as may be required by law and except for an amendment to the Chiles 1990 Plan (or any option agreements existing thereunder) to provide the Board of Directors of Chiles with the power to take the actions required pursuant to Section 5.11) amend or terminate any bonus, profit sharing, compensation, severance, termination, stock option, stock appreciation right, restricted stock, performance unit, stock equivalent, stock purchase, pension, retirement, deferred compensation, employment, severance or other employee benefit agreement, trust, plan, fund or other arrangement for the benefit or welfare of any director, officer or employee; (vii) except as provided in Section 5.11 and except for normal increases in the ordinary course of business consistent with past practice that, in the aggregate, do not result in a material increase in benefits or compensation expense, increase in any manner the compensation or fringe benefits of any director, officer or employee; or (viii) except as provided in Section 5.11, pay to any director, officer or employee any benefit not required by any employee benefit agreement, trust, plan, fund or other arrangement as in effect on the date hereof;

(c) Chiles shall use its reasonable efforts (i) to preserve intact the business organization of Chiles and each of the Chiles Subsidiaries, (ii) to maintain in effect any authorizations or similar rights of Chiles and each of the Chiles Subsidiaries, (iii) to keep available the services of its and their current officers and key employees, (iv) to preserve the goodwill of those having business relationships with it and the Chiles Subsidiaries, (v) to maintain and keep its properties and the properties of the Chiles Subsidiaries in as good a repair and condition as presently exists, except for deterioration due to ordinary wear and tear and damage due to casualty; and (vi) to maintain in full force and effect insurance comparable in amount and scope of coverage to that currently maintained by it and the Chiles Subsidiaries;

(d) Chiles shall not make or agree to make, or permit any of the Chiles Subsidiaries to make or agree to make, new capital expenditures that in the aggregate exceed $500,000;

(e) neither Chiles nor any of the Chiles Subsidiaries shall take, and Chiles will use its reasonable efforts to prevent any affiliate of Chiles from taking, any action that, in the judgment of Arthur Andersen & Co., Chiles's independent auditors, would cause the Merger not to be treated as a "pooling of interests" for accounting purposes;

(f) Chiles shall, and shall cause the Chiles Subsidiaries to, perform

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their respective obligations under any contracts and agreements to which any of them is a party or to which any of their assets is subject, except to the extent such failure to perform would not have a material adverse effect on Chiles and the Chiles Subsidiaries, taken as a whole, and except for such obligations as Chiles or the Chiles Subsidiaries in good faith may dispute; and

(g) Chiles shall not, and shall not permit any of the Chiles Subsidiaries to, take any action that would, or that reasonably could be expected to, result in any of the representations and warranties set forth in this Agreement becoming untrue or any of the conditions to the Merger set forth in Article VI not being satisfied. Chiles promptly shall advise Noble orally and in writing of any change or event having, or which, insofar as reasonably can be foreseen, would have, a material adverse effect on Chiles and the Chiles Subsidiaries, taken as a whole.

3.2 Joint Proxy Statement. Promptly after the date of this Agreement, Chiles shall cooperate with Noble in preparing and shall file with the Commission under the Exchange Act, and shall use its reasonable efforts to

have cleared by the Commission, a joint proxy statement (the "Proxy Statement") with respect to the meeting of stockholders of Chiles referred to in Section 3.3 and Chiles shall cooperate with Noble in preparing the Registration Statement (as defined below in Section 4.4). Chiles agrees that the Proxy Statement (except with respect to information concerning Noble and the Noble Subsidiaries furnished by or on behalf of Noble specifically for use therein, for which information Noble shall be responsible) will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations adopted thereunder, and the Registration Statement (with respect to information concerning Chiles and the Chiles Subsidiaries provided by Chiles specifically for use therein) and the Proxy Statement (except with respect to information concerning Noble and the Noble Subsidiaries furnished by or on behalf of Noble specifically for use therein, for which information Noble shall be responsible) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. Subject to the terms and conditions of Section 3.4, the Proxy Statement shall contain the recommendation of the Board of Directors of Chiles that the stockholders of Chiles vote to approve and adopt this Agreement. Chiles will advise Noble promptly in writing if prior to the Effective Time it shall obtain knowledge of any facts that would make it necessary to amend or supplement the Proxy Statement (or the Registration Statement of which the Proxy Statement is a part) in order to make the statements therein not misleading or to comply with applicable law.

3.3 Meeting of Stockholders of Chiles. Subject to the terms and conditions set forth in Section 3.4, Chiles shall promptly take all action reasonably necessary in accordance with the DGCL and the Chiles Certificate and bylaws to convene a meeting of its stockholders to consider and vote upon the adoption and approval of this Agreement. Subject to the terms and conditions set forth in Section 3.4, the Board of Directors of Chiles (i) shall recommend at such meeting that the stockholders of Chiles vote to adopt and approve this Agreement; (ii) shall use its reasonable efforts to solicit from stockholders of Chiles proxies in favor of such adoption and approval; and (iii) shall take all other action reasonably necessary to secure a vote of its stockholders in favor of the adoption and approval of this Agreement.

3.4 No Shopping. From and after the date of this Agreement, neither Chiles nor any Chiles Subsidiary shall, directly or indirectly, through any officer, director, employee, representative or agent of Chiles or any of the Chiles Subsidiaries, solicit or knowingly encourage, including by way of furnishing information, the initiation of any inquiries or proposals regarding (i) any merger, tender offer, sale of shares of capital stock or similar business combination transactions involving Chiles or the Chiles Subsidiaries that would have the effect of causing the holders of Chiles Common Stock immediately prior to the effectiveness of such proposed transaction to own in the aggregate less than 50% of the shares of the surviving or resulting entity entitled to vote generally for the election of directors of the surviving or resulting entity, or (ii) any sale of all or substantially all the assets of Chiles and the Chiles Subsidiaries, taken as a whole (any of the foregoing transactions being referred to herein as a "Chiles Acquisition Transaction"); provided, however, that nothing in this Section 3.4 or elsewhere in this Agreement shall prevent the members of the Board of Directors of Chiles in the exercise of their fiduciary

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duties and after consulting with independent counsel, from considering, negotiating and approving an unsolicited bona fide proposal that the Board of Directors of Chiles determines in good faith, after consultation with its financial advisors, may result in a transaction more favorable to Chiles' stockholders than the transactions contemplated by this Agreement. If the Board of Directors of Chiles receives a request for confidential information by a potential bidder for Chiles and the Board of Directors determines, after consultation with independent counsel, that the Board of Directors has a fiduciary obligation to provide such information to a potential bidder, then Chiles may, subject to a confidentiality agreement substantially similar to that previously executed by Noble, provide such potential bidder with access to information regarding Chiles. Chiles shall promptly notify Noble, orally and in writing, if any such proposal or offer is made and shall, in any such notice, indicate the identity and terms and conditions of any proposal or offer, or any such inquiry or contact. Chiles shall keep Noble advised of the progress and status of any such proposals or offers. The obligation of the Board of Directors of Chiles to convene a meeting of its stockholders and to recommend the adoption and approval of this Agreement to the stockholders of Chiles pursuant to Section 3.3 of this Agreement shall be subject to the fiduciary duties of the directors, as determined by the directors after consultation with their independent counsel, and nothing contained in this Section 3.4 or elsewhere in this Agreement shall prevent the Board of Directors of Chiles from approving or recommending

to the stockholders of Chiles any unsolicited offer or proposal by a third party if required in the exercise of their fiduciary duties, as determined by the directors after consultation with independent counsel.

3.5 Affiliates' Agreements. Prior to the Closing Date, Chiles shall deliver to Noble a letter identifying all persons whom it believes are, at the time this Agreement is submitted for approval to the stockholders of Chiles, "affiliates" of Chiles for purposes of Rule 145 under the Securities Act. Chiles shall use its reasonable efforts to cause each such person to deliver to Noble on or prior to the Closing Date a written agreement substantially in the form of Exhibit A. Noble shall not be required to maintain the effectiveness of the Registration Statement (as defined below) for the purpose of resale by stockholders of Chiles who may be "affiliates" pursuant to Rule 145 under the Securities Act.

ARTICLE IV

COVENANTS OF NOBLE PRIOR TO THE EFFECTIVE TIME

4.1 Conduct of Business by Noble Pending the Merger. Noble covenants and agrees that, from the date of this Agreement until the Effective Time, unless Chiles shall otherwise agree in writing or as otherwise expressly contemplated by this Agreement:

(a) the business of Noble and the Noble Subsidiaries shall be conducted only in, and Noble and the Noble Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice;

(b) except as set forth in Section 4.1(b) of the Noble Disclosure Letter, Noble shall not directly or indirectly do any of the following: (i) issue, sell, pledge, dispose of or encumber, or permit any Noble Subsidiary to issue, sell, pledge, dispose of or encumber, (A) any capital stock of Noble or any Noble Subsidiary except upon the exercise of Noble Options or upon conversion of any convertible securities of Noble outstanding as of the date of this Agreement or pursuant to Noble's Thrift Plan, Noble (International) Employees' Retirement Savings Plan or Noble Field Hourly Employees' Retirement Plan or (B) other than in the ordinary course of business and consistent with past practice and not relating to the borrowing of money, any assets of Noble or any Noble Subsidiary; (ii) amend or propose to amend the respective charters or bylaws of Noble or any Noble Subsidiary, (iii) split, combine or reclassify any outstanding capital stock, or declare, set aside or pay any dividend payable in cash, stock, property or otherwise with respect to its capital stock whether now or hereafter outstanding other than its regular quarterly cash dividends on the $2.25 Noble Preferred Stock; (iv) redeem, purchase or acquire or offer to acquire, or permit any of the Noble Subsidiaries to redeem, purchase or acquire or offer to acquire, any of its or their capital stock; or (v) except in the ordinary course of business and consistent with past

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practice, enter into any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 4.1 (b);

(c) except as set forth in Section 4.1(c) of the Noble Disclosure Letter, Noble shall use its reasonable efforts (i) to preserve intact the business organization of Noble and each of the Noble Subsidiaries, (ii) to maintain in effect any authorizations, or similar rights of Noble and each of the Noble Subsidiaries, (iii) to keep available the services of its and their current officers and key employees, (iv) to preserve the goodwill of those having business relationships with it and the Noble Subsidiaries, (v) to maintain and keep its properties and the properties of the Noble Subsidiaries in as good a repair and condition as presently exists, except for deterioration due to ordinary wear and tear and damage due to casualty, and (vi) to maintain in full force and effect insurance comparable in amount and scope of coverage to that currently maintained by it and the Noble Subsidiaries;

(d) Noble shall not make or agree to make, or permit any of the Noble Subsidiaries to make or agree to make, any capital expenditure other than as previously disclosed in the Noble Commission Filings or those made in the ordinary course of business and consistent with past practice;

(e) neither Noble nor any of the Noble Subsidiaries shall take, and Noble will use its reasonable efforts to prevent any affiliate of Noble from taking, any action that, in the judgment of Arthur Andersen

& Co., Noble's independent auditors, would cause the Merger not to be treated as a "pooling of interests" for accounting purposes;

(f) Noble shall, and shall cause the Noble Subsidiaries to, perform their respective obligations under any contracts and agreements to which any of them is a party or to which any of their assets is subject, except to the extent such failure to perform would not have a material adverse effect on Noble and the Noble Subsidiaries, taken as a whole, and except for such obligations as Noble or the Noble Subsidiaries in good faith may dispute; and

(g) Noble shall not, and shall not permit any of the Noble Subsidiaries to, take any action that would, or that reasonably could be expected to, result in any of the representations and warranties set forth in this Agreement becoming untrue or any of the conditions to the Merger set forth in Article VI not being satisfied. Noble promptly shall advise Chiles orally and in writing of any change or event having, or which, insofar as reasonably can be foreseen, would have, a material adverse effect on Noble and the Noble Subsidiaries, taken as a whole.

4.2 Joint Proxy Statement. Promptly after the date of this Agreement, Noble shall cooperate with Chiles in preparing and shall file with the Commission under the Exchange Act, and shall use its reasonable efforts to have cleared by the Commission, the Proxy Statement with respect to the meeting of the stockholders of Noble referred to in Section 4.3. Noble agrees that the Proxy Statement (except with respect to information concerning Chiles and the Chiles Subsidiaries furnished by or on behalf of Chiles specifically for use therein, for which information Chiles shall be responsible) will comply as to form in all material respects with the requirements of the Exchange Act and the respective rules and regulations adopted thereunder, and the Proxy Statement (except with respect to information concerning Chiles and the Chiles Subsidiaries furnished by or on behalf of Chiles specifically for use therein, for which information Chiles shall be responsible) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Proxy Statement shall contain the recommendation of the Board of Directors of Noble that the stockholders of Noble vote to adopt the Noble Charter Amendment and approve this Agreement. Noble will advise Chiles promptly in writing if prior to the Effective Time it shall obtain knowledge of any facts that would make it necessary to amend or supplement the Proxy Statement in order to make the statements therein not misleading or to comply with applicable law.

4.3 Meeting of Stockholders of Noble. Noble shall promptly take all action reasonably necessary in accordance with the DGCL and the Noble Certificate and bylaws to convene a meeting of its stockholders to consider and vote upon the adoption of the Noble Charter Amendment and approval of this Agreement. The

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Board of Directors of Noble (i) shall recommend at such meeting that the stockholders of Noble vote to adopt and approve the matters referenced in the preceding sentence; (ii) shall use its reasonable efforts to solicit from stockholders of Noble proxies in favor of such adoption and approval; and (iii) shall take all other action reasonably necessary to secure a vote of its stockholders in favor of such adoption and approval.

4.4 Registration Statement. Promptly after the date of this Agreement, Noble will file a registration statement (the "Registration Statement") on Form S-4 with the Commission under the Securities Act with respect to the offering, sale and delivery of the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued pursuant to the Merger; and Noble will use its reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing. Noble agrees that the Registration Statement (except with respect to information concerning Chiles and the Chiles Subsidiaries furnished by or on behalf of Chiles specifically for use therein, for which information Chiles shall be responsible) will comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act and the respective rules and regulations adopted thereunder, and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary to make the statements made therein not misleading. Noble will advise Chiles in writing if prior to the Effective Time it shall obtain knowledge of any fact that would, in its opinion, make it necessary to amend or supplement the Registration Statement in order to make the statements therein not misleading or to comply with applicable law.

4.5 Reservation of Noble Stock. Subject to adoption by the stockholders of Noble of the Noble Charter Amendment, Noble shall reserve for issuance, out of its authorized but unissued capital stock, such number of shares of Noble Common Stock and $1.50 Noble Preferred Stock as may be issuable upon consummation of the Merger and such number of shares of Noble Common Stock as may be issuable upon conversion of the $1.50 Noble Preferred Stock.

4.6 Stock Exchange Listing. Subject to the adoption by the stockholders of Noble of the Noble Charter Amendment, Noble shall use all reasonable efforts to cause the shares of Noble Common Stock and $1.50 Noble Preferred Stock to be issued in the Merger, the shares of Noble Common Stock to be reserved for issuance upon the exercise of Chiles Options to be assumed by Noble in the Merger, if any, and the shares of Noble Common Stock issuable upon conversion of the $1.50 Noble Preferred Stock to be approved for listing on the NASDAQ National Market System, subject to official notice of issuance, prior to the Closing Date.

4.7 Affiliates' Agreements. Noble shall use its reasonable efforts to cause each person whom it believes is an "affiliate" of Noble within the meaning thereof under Rule 405 under the Securities Act, to deliver to Noble on or prior to the Closing Date a written agreement substantially in the form of Exhibit B hereto.

4.8 Registration Rights Agreement. At (and subject to the occurrence of) the Closing, Noble agrees to execute and deliver a Registration Rights Agreement to P.A.J.W. Corporation in substantially the form attached hereto as Exhibit F.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1 Accountants Letters.

(a) Chiles shall use its reasonable efforts to cause Arthur Andersen & Co. to deliver a letter dated as of the date of the Proxy Statement, and addressed to itself and Noble, in form and substance reasonably satisfactory to Noble and customary in scope and substance for agreed upon procedures letters delivered by independent public accountants in connection with registration statements and proxy statements similar to the Registration Statement and Proxy Statement.

(b) Noble shall use its reasonable efforts to cause Arthur Andersen & Co. to deliver a letter dated as of the date of the Proxy Statement, and addressed to itself and Chiles, in form and substance reasonably satisfactory to Chiles and customary in scope and substance for agreed upon procedures letters delivered by independent public accountants in

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connection with registration statements and proxy statements similar to the Registration Statement and Proxy Statement.

5.2 Filings; Consents; Reasonable Efforts. Subject to the terms and conditions of this Agreement, Chiles and Noble shall (i) make all necessary filings with respect to the Merger and this Agreement under the HSR Act, the Securities Act, the Exchange Act and applicable blue sky or similar securities laws and shall use all reasonable efforts to obtain required approvals and clearances with respect thereto; (ii) obtain all consents, waivers, approvals, authorizations and orders required in connection with the authorization, execution and delivery of this Agreement and the consummation of the Merger; and (iii) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement.

5.3 Notification of Certain Matters. Chiles shall give prompt notice to Noble, and Noble shall give prompt notice to Chiles, orally and in writing, of (i) the occurrence, or failure to occur, of any event which occurrence or failure would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate at any time from the date hereof to the Effective Time, and (ii) any material failure of Chiles or Noble, as the case may be, or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

5.4 Agreement to Defend. In the event any claim, action, suit, investigation or other proceeding by any governmental body or other person or other legal or administrative proceeding is commenced that questions

the validity or legality of the transactions contemplated hereby or seeks damages in connection therewith, the parties hereto agree to cooperate and use their reasonable efforts to defend against and respond thereto.

5.5 Expenses. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense, except that expenses incurred in connection with printing and mailing the Registration Statement and the Proxy Statement shall be shared equally by Noble and Chiles; provided, however, that if this Agreement shall have been terminated pursuant to Section 7.1 as a result of the willful breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement, such breaching party shall pay the costs and expenses of the other parties in connection with the transactions contemplated by this Agreement.

5.6 Noble's Board of Directors. Noble's Board of Directors will take action to increase the number of directors comprising the full Board of Directors of Noble at the Effective Time to nine persons and the directors of Noble shall elect two persons designated by Chiles to fill the two vacancies created by the increase in the number of directors prior to the Effective Time. The designees of Chiles shall be as set forth in Part I of Exhibit C. If, prior to the Effective Time, any such designees shall decline or be unable to serve, Chiles shall designate another person to serve in such person's stead in accordance with the provisions of Part II of Exhibit C.

5.7 Indemnification.

(a) From and after the Effective Time, Noble and the Surviving Corporation shall, to the fullest extent permitted under applicable law, indemnify, defend and hold harmless each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer, director or employee of Chiles or any of the Chiles Subsidiaries (the "Indemnified Parties") against all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement with the approval of the indemnifying party (which approval shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director, officer or employee of Chiles or any of the Chiles Subsidiaries, whether pertaining to any matter existing or occurring at or prior to the Effective Time and whether reasserted or claimed prior to, or at or after, the Effective Time ("Indemnified Liabilities"), including without limitation all Indemnified Liabilities based in whole or in part on, or

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arising in whole or in part out of, or pertaining to this Agreement or the transactions contemplated hereby, AND SPECIFICALLY INCLUDING ANY INDEMNIFIED LIABILITY THAT MAY BE BASED ON THE SOLE OR CONTRIBUTORY NEGLIGENCE (WHETHER ACTIVE, PASSIVE, OR GROSS) OF ANY INDEMNIFIED PARTY, in each case to the full extent such corporations are permitted under the DGCL to indemnify their own directors, officers and employees, as the case may be (and the Surviving Corporation or Noble will pay expenses in advance of the final disposition of any such action or proceeding to each Indemnified Party to the full extent permitted by law). The defense of any such claim, action, suit, proceeding or investigation shall be conducted by Noble. If Noble has failed to conduct such defense, the Indemnified Parties may retain counsel satisfactory to them and the Surviving Corporation shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received. The party not conducting the defense will use reasonable efforts to assist in the vigorous defense of any such matter, provided that such party shall not be liable for any settlement of any claim effected without its written consent, which consent, however, shall not be unreasonably withheld. Any Indemnified Party wishing to claim indemnification under this Section 5.7, upon learning of any such claim, action, suit, proceeding or investigation, shall notify Noble (but the failure so to notify a party shall not relieve such party from any liability which it may have under this Section 5.7 except to the extent such failure materially prejudices such party). If Noble and the Surviving Corporation are responsible for the attorneys' fees of the Indemnified Parties, then the Indemnified Parties as a group may retain only one law firm to represent them with respect to each such matter unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties.

(b) The Surviving Corporation shall purchase and maintain for a period of six years after the Effective Time continuation coverage for Chiles's directors' and officers' liability insurance policy as in effect on the date hereof or obtain a directors' and officers' insurance policy with comparable coverage.

(c) The provisions of this Section 5.7 are intended to be for the benefit of, and shall be enforceable by, the parties hereto and each Indemnified Party, his heirs and his representatives.

5.8 Chiles Employee Benefits.

(a) After the Effective Time, Noble shall provide those employees of Chiles and the Chiles Subsidiaries covered by the benefit plans of Chiles and the Chiles Subsidiaries with the same benefits in respect of future service that accrue in respect of future services to the employees of Noble who are employed in comparable positions. Noble and Chiles further agree that any present employees of Chiles and the Chiles Subsidiaries shall be credited for their service with Chiles for purposes of eligibility, benefit entitlement and vesting in the plans provided by Noble (other than for purposes of benefit accruals under any defined benefit pension plan). Those employees' benefits under Noble's medical benefit plan shall not be subject to any exclusions for any pre-existing conditions, and credit shall be received for any deductibles or out-of-pocket amounts previously paid.

(b) The provisions of this Section 5.8 are intended to be for the benefit of, and shall be enforceable by, the parties hereto and each employee of Chiles or any of the Chiles Subsidiaries covered by benefit plans of Chiles or a Chiles Subsidiary.

5.9 Post-Effective Time Mailing. As soon as practicable following the Effective Time, Noble will cause to be mailed to each holder of certificates that represented Shares immediately prior to the Effective Time, at such holder's address as it appears on Chiles's stock transfer records, a letter of transmittal and other information advising such holder of the consummation of the Merger along with information and instructions to enable such holder to effect the exchange of stock certificates as contemplated by Article I of this Agreement.

5.10 Tax Opinion. Noble covenants and agrees that during the two year period following the Merger it will not cause or permit the Surviving Corporation to sell or otherwise dispose of assets of Chiles vested in the

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Surviving Corporation other than in the ordinary course of business having a fair market value in excess of 10% of the fair market value of the net assets or 30% of the fair market value of the gross assets of Chiles as of the Effective Time without first obtaining an opinion of counsel that such sale or disposition will not affect the qualification of the Merger as a reorganization within the meaning of Section 368(a) of the Code.

5.11 Chiles Stock Options.

(a) Chiles covenants and agrees to use its best efforts to take all action necessary to provide for the exchange of the Chiles Options for shares of Noble Common Stock as described in this Section 5.11(a), including, but not limited to, making any necessary amendments to the Chiles 1990 Plan and obtaining the consent of each holder of the Chiles Options to the exchange of such holder's options. Subject to obtaining the consent of each holder of the Chiles Options, and further subject to the consummation of the Merger and effective at the Effective Time, all then outstanding Chiles Options shall be cancelled in exchange for shares of Noble Common Stock. If all the currently outstanding Chiles Options remain outstanding immediately prior to the Effective Time, then such options shall be cancelled in exchange for an aggregate of 480,000 shares of Noble Common Stock. If any currently outstanding Chiles Options are exercised prior to the Effective Time, then the aggregate number of shares of Noble Common Stock specified in the immediately preceding sentence shall be reduced based on a formula that ascribes to such exercised option a proportionate value of the value of all the currently outstanding Chiles Options. The number of shares of Noble Common Stock to be received by each holder of a Chiles Option shall be based on a formula that provides that all holders of Chiles Options having the same exercise price per share and vesting schedule shall receive the same number of shares of Noble Common Stock per share of Chiles Common Stock purchasable under such Chiles Options.

(b) If the consent to the exchange described in Section 5.11(a) by each of the holders of Chiles Options has not been obtained by Chiles prior to the Closing Date, then, in order to preserve that the Merger be treated as a "pooling of interests" for accounting purposes, the Chiles Options shall not be exchanged as provided in Section 5.11(a) and Noble will take such action as is necessary to assume, effective at the Effective Time, each Chiles Option that remains as of such time unexercised in whole or in part and to substitute shares of Noble Common Stock as purchasable under each such assumed option ("Assumed Option"), with such assumption and substitution to be effected as follows:

(i) The Assumed Option shall not give the optionee additional benefits which he did not have under the Chiles Option before such assumption and shall be assumed on the same terms and conditions, including, without limitation, vesting schedule, as the Chiles Options being assumed, subject to Section 5.11(b)(ii) and (iii);

(ii) The number of shares of Noble Common Stock purchasable under the Assumed Option shall be equal to the number of shares of Noble Common Stock that the holder of the Chiles Option being assumed would have received (without regard to any vesting schedule) upon consummation of the Merger had such Chiles Option been exercised in full immediately prior to consummation of the Merger; and

(iii) The per share exercise price of such Assumed Option shall be an amount equal to the per share exercise price of the Chiles Option being assumed divided by 0.75.

(c) If the Chiles Options are assumed by Noble pursuant to Section 5.11(b), Noble shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Noble Common Stock for delivery upon exercise of the Assumed Options, and, as soon as practicable after the Effective Time, Noble shall file a registration statement on Form S-8 (or other appropriate form) with respect to the shares of Noble Common Stock subject to the Assumed Options, and shall use its best efforts to maintain the effectiveness of such registration statement (and maintain the current status of any prospectus contained therein) for so long as any of the Assumed Options remain outstanding.

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5.12 Designation of $1.50 Noble Preferred Stock. Noble agrees to take such action prior to the Effective Time, including the filing of a certificate of designations with the Secretary of State of Delaware, to establish and create a new series of Noble preferred stock designated the "$1.50 Convertible Preferred Stock" from its authorized but unissued shares of preferred stock and having substantially the same rights, privileges, preferences and voting power as shares of Chiles Preferred Stock. The shares of $1.50 Noble Preferred Stock issuable pursuant to the Merger to holders of Chiles Preferred Stock shall be convertible into the consideration received by holders of Chiles Common Stock at the Conversion Price (as defined in the certificate of designations of the Chiles Preferred Stock) immediately after the Effective Time. The shares of $1.50 Noble Preferred Stock and the shares of $2.25 Noble Preferred Stock shall rank on a parity with each other in respect of the payment of dividends and upon liquidation, dissolution or winding up of Noble.

ARTICLE VI

CONDITIONS

6.1 Conditions to Obligation of Each Party to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) This Agreement and the Noble Charter Amendment shall have been approved and adopted by the requisite vote of the stockholders of Noble, and this Agreement shall have been approved and adopted by the requisite vote of the stockholders of Chiles, as may be required by law, by the rules of the NASDAQ National Market System and the American Stock Exchange, respectively, and by any applicable provisions of their respective certificates of incorporation or bylaws;

(b) The waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated;

(c) No order shall have been entered and remain in effect in any action or proceeding before any foreign, federal or state court or governmental agency or other foreign, federal or state regulatory or administrative agency or commission that would prevent or make illegal the consummation of the Merger;

(d) The Registration Statement shall be effective on the Closing Date, and all post-effective amendments filed shall have been declared effective or shall have been withdrawn; and no stop-order suspending the effectiveness thereof shall have been issued and no proceedings for that purpose shall have been initiated or, to the knowledge of the parties, threatened by the Commission;

(e) There shall have been obtained any and all material permits, approvals and consents of securities or blue sky commissions of any jurisdiction, and of any other governmental body or agency, that reasonably may be deemed necessary so that the consummation of the Merger and the transactions contemplated thereby will be in compliance with applicable laws, the failure to comply with which would have a material adverse effect on the business, financial condition or results of operations of Noble, the Surviving Corporation and their subsidiaries, taken as a whole after consummation of the Merger;

(f) The shares of Noble Common Stock and $1.50 Noble Preferred Stock issuable upon consummation of the Merger and the shares of Noble Common Stock issuable upon conversion of the $1.50 Noble Preferred Stock or upon exercise of any Assumed Options shall have been approved for listing on the NASDAQ National Market System, subject to official notice of issuance;

(g) All approvals of private persons or corporations, (i) the granting of which is necessary for the consummation of the Merger or the transactions contemplated in connection therewith and (ii) the non-receipt of which would have a material adverse effect on the business, financial condition or results of operations of Noble, the Surviving Corporation and their subsidiaries, taken as a whole after the consummation of the Merger, shall have been obtained; and

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(h) Noble and Chiles shall have been advised in writing on the Closing Date by Arthur Andersen & Co. that, in accordance with generally accepted accounting principles, the Merger should be treated as a "pooling of interests" for accounting purposes.

6.2 Additional Conditions to Obligations of Noble. The obligation of Noble to effect the Merger is, at the option of Noble, also subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of Chiles contained in Section 2.2 shall be accurate in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak specifically as of an earlier date) as of the Closing Date as though such representations and warranties had been made at and as of that time; all of the terms, covenants and conditions of this Agreement to be complied with and performed by Chiles on or before the Closing Date shall have been duly complied with and performed in all material respects; and a certificate to the foregoing effect dated the Closing Date and signed by the chief executive officer of Chiles shall have been delivered to Noble;

(b) Since the date of this Agreement, no material adverse change in the financial condition, results of operations or business of Chiles and the Chiles Subsidiaries, taken as a whole, shall have occurred, and Chiles and the Chiles Subsidiaries shall not have suffered any damage, destruction or loss materially adversely affecting the properties or business of Chiles and the Chiles Subsidiaries, taken as a whole, and Noble shall have received a certificate signed by the chief executive officer of Chiles dated the Closing Date to such effect;

(c) The Board of Directors of Noble shall have received from Simmons & Company International, financial advisor to Noble, a written opinion, dated as of the date of this Agreement, satisfactory in form and substance to the Board of Directors of Noble, to the effect that (i) the conversion ratio of 0.75 of a share of Noble Common Stock to be issued for each share of Chiles Common Stock and (ii) the conversion ratio of one share of $1.50 Noble Preferred Stock to be issued for each share of Chiles Preferred Stock, in each case pursuant to the Merger, is fair to the stockholders of Noble from a financial

point of view, which opinion shall have been confirmed in writing to such Board as of the date the Proxy Statement is first mailed to the stockholders of Noble and not subsequently withdrawn;

(d) Chiles shall have received, and furnished written copies to Noble of, the Chiles affiliates' agreements pursuant to Section 3.5;

(e) Noble shall have received from Vinson & Elkins L.L.P., counsel to Chiles, an opinion dated the Closing Date covering the matters set forth in Exhibit D;

(f) Noble shall have received from Thompson & Knight, P.C. a written opinion dated as of the date that the Proxy Statement is first mailed to stockholders of Noble to the effect that (i) the Merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, (ii) Noble, Sub and Chiles will each be a party to that reorganization within the meaning of Section 368(b) of the Code, and (iii) Noble, Sub and Chiles shall not recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger, and such opinion shall not have been withdrawn or modified in any material respect;

(g) The Shareholder Voting Agreement dated April 23, 1990, as amended on May 24, 1991, among P.A.J.W. Corporation, OMI Investments, Inc., AWILCO Shipping and WILCO A/S shall have been terminated or shall terminate by its terms as of the Effective Time; and

(h) Chiles and its agent in Nigeria, Hydrocarbon Services of Nigeria ("HSN"), shall have executed any documentation necessary to the reasonable satisfaction of Noble to permit the export of the drilling rigs of Chiles that have been imported by HSN and Chiles into Nigeria.

6.3 Additional Conditions to Obligations of Chiles. The obligation of Chiles to effect the Merger is, at the option of Chiles, also subject to the

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fulfillment at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of Noble and Sub contained in Section 2.1 shall be accurate in all material respects as of the date of this Agreement and (except to the extent such representations and warranties speak specifically as of an earlier date) as of the Closing Date as though such representations and warranties had been made at and as of that time; all the terms, covenants and conditions of this Agreement to be complied with and performed by Noble on or before the Closing Date shall have been duly complied with and performed in all material respects; and a certificate to the foregoing effect dated the Closing Date and signed by the chief executive officer of Noble shall have been delivered to Chiles;

(b) Since the date of this Agreement, no material adverse change in the results of operations, financial condition or business of Noble and the Noble Subsidiaries, taken as a whole, shall have occurred, and Noble and the Noble Subsidiaries shall not have suffered any damage, destruction or loss materially adversely affecting the properties or business of Noble and the Noble Subsidiaries, taken as a whole, and Chiles shall have received a certificate signed by the chief executive officer of Noble dated the Closing Date to such effect;

(c) Chiles shall have received from Salomon Brothers Inc, financial advisor to Chiles, a written opinion, dated as of the date of this Agreement, satisfactory in form and substance to the Board of Directors of Chiles, to the effect that (i) the conversion ratio of 0.75 of a share of Noble Common Stock to be issued for each share of Chiles Common Stock and (ii) the conversion ratio of one share of $1.50 Noble Preferred Stock to be issued for each share of Chiles Preferred Stock, in each case pursuant to the Merger, is fair to the common and preferred stockholders of Chiles from a financial point of view, which opinion shall have been confirmed in writing to such Board as of the date the Proxy Statement is first mailed to the stockholders of Chiles and not subsequently withdrawn;

(d) The Board of Directors of Noble shall have taken such action as may be necessary to elect the persons designated by Chiles on or pursuant to Exhibit C to the Noble Board of Directors effective as of the Effective Time;

(e) Chiles shall have received from Thompson & Knight, P.C., counsel to Noble, an opinion dated the Closing Date covering the matters set forth in Exhibit E;

(f) Noble shall have received, and furnished copies to Chiles of, the Noble affiliates' agreements pursuant to Section 4.7; and

(g) Chiles shall have received from Vinson & Elkins L.L.P., a written opinion dated as of the date that the Proxy Statement is first mailed to stockholders of Chiles to the effect that (i) the Merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; (ii) Noble, Sub and Chiles will each be a party to that reorganization within the meaning of Section 368(b) of the Code; and (iii) the stockholders of Chiles shall not recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger, other than to the extent such stockholders receive cash in lieu of fractional shares, and such opinion shall not have been withdrawn or modified in any material respect.

ARTICLE VII

MISCELLANEOUS

7.1 Termination. This Agreement may be terminated and the Merger and the other transactions contemplated herein may be abandoned at any time prior to the Effective Time, whether prior to or after approval by the stockholders of Noble or the stockholders of Chiles:

(a) by mutual consent of Noble and Chiles;

(b) by either Noble or Chiles if the Merger has not been effected on or before January 31, 1995;

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(c) by Noble if the condition set forth in Section 6.2(c) is not satisfied;

(d) by Chiles if the condition set forth in Section 6.3(c) is not satisfied;

(e) by either Noble or Chiles if a final, unappealable order of a judicial or administrative authority of competent jurisdiction to restrain, enjoin or otherwise prevent a consummation of this Agreement or the transactions contemplated in connection herewith shall have been entered;

(f) by either Noble or Chiles if the required approval of the stockholders of Chiles or the stockholders of Noble provided for in Sections 3.3 and 4.3, respectively, is not received in a vote duly taken at their respective stockholders' meetings;

(g) by Noble if (i) since the date of this Agreement there has been a material adverse change in the results of operations, financial condition or business of Chiles and the Chiles Subsidiaries, taken as a whole, or (ii) there has been a material breach of any representation or warranty or covenant set forth in this Agreement by Chiles which breach has not been cured within five business days following receipt by Chiles of notice of such breach;

(h) by Chiles if (i) since the date of this Agreement there has been a material adverse change in the results of operations, financial condition or business of Noble and the Noble Subsidiaries, taken as a whole, or (ii) there has been a material breach of any representation or warranty or covenant set forth in this Agreement by Noble which breach has not been cured within five business days following receipt by Noble of notice of such breach; or

(i) by Noble if the Board of Directors of Chiles exercises its right pursuant to Section 3.4 not to convene a meeting of the Chiles stockholders.

7.2 Effect of Termination.

(a) In the event of any termination of this Agreement pursuant to Section 7.1, (i) the provisions of the Confidentiality Agreements (as defined below) and the provisions of Section 5.5 shall survive any such termination, and (ii) such termination shall not relieve any party from liability for any breach of this Agreement.

(b) In the event that either Noble or Chiles terminates this Agreement pursuant to Sections 7.1(a), 7.1(b), 7.1(d), 7.1(f), 7.1(g)(ii) or 7.1(i), and (i) this Agreement has either not been submitted to the stockholders of Chiles or the stockholders of Chiles have declined to approve this Agreement by the requisite vote, (ii) after the date of this Agreement but at or before the time this Agreement is terminated there shall have been a Chiles Acquisition Transaction proposed in writing to Chiles and (iii) any Chiles Acquisition Transaction (whether the same or different from the one referenced in clause (ii)) is consummated at any time within one year after the date of this Agreement, then Chiles shall promptly pay to Noble the sum of $6,000,000.

(c) If this Agreement is terminated pursuant to Section 7.1(f) because of the failure of Noble to secure the approval of its stockholders as required under Section 4.3 and the conditions to closing set forth in Sections 6.1 and 6.2 (other than Sections 6.1(f), 6.1(h), 6.2(d), 6.2(e), 6.2(f), 6.2(g) and 6.2(h)) have otherwise been satisfied, then Noble shall promptly, but in no event later than five business days after written request by Chiles, pay to Chiles an amount equal to $1,000,000 in immediately available funds as reimbursement for an agreed upon estimate of Chiles's out-of-pocket fees and expenses incurred in connection with the transactions contemplated hereby.

(d) If this Agreement is terminated pursuant to Section 7.1(f) because of the failure of Chiles to secure the approval of its stockholders as required under Section 3.3 and the conditions to closing set forth in Sections 6.1 and 6.3 (other than Sections 6.1(f), 6.1(h), 6.3(d), 6.3(e), 6.3(f), and 6.3(g)) have otherwise been satisfied, then Chiles shall

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promptly, but in no event later than five business days after written request by Noble, pay to Noble an amount equal to $1,000,000 in immediately available funds as reimbursement for an agreed upon estimate of Noble's out-of-pocket fees and expenses incurred in connection with the transactions contemplated hereby; provided, however, that if Chiles shall be obligated to make any payment to Noble pursuant to Section 7.2(b), then Chiles shall be entitled to offset from any amount due under Section 7.2(b) any amount paid to Noble pursuant to this Section 7.2(d).

7.3 Waiver and Amendment. Any provision of this Agreement may be waived at any time by the party that is, or whose stockholders are, entitled to the benefits thereof. This Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of each party hereto, provided that after this Agreement has been approved and adopted by the stockholders of Noble and Chiles, this Agreement may be amended only as may be permitted by applicable provisions of the DGCL. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party hereto of any of the conditions precedent to its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

7.4 Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, covenants or agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for the terms of Article I, the second paragraph of Section 2.1(i), the third, fourth and fifth sentences of the second paragraph of Section 2.2(i), Sections 5.7, 5.8, 5.10 and 5.11, Article VII, and the agreements of the "affiliates" of Chiles and Noble delivered pursuant to Sections 3.5 and 4.7, respectively hereof.

7.5 Public Statements. Chiles and Noble agree to consult with each other prior to issuing any press release or otherwise making any public statement with respect to the transactions contemplated hereby, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law or applicable stock exchange policy.

7.6 Assignment. This Agreement shall inure to the benefit of and will be binding upon the parties hereto and their respective legal representatives, successors and permitted assigns. Except as set forth in this Agreement, this Agreement shall not be assignable by the parties hereto.

7.7 Notices. All notices, requests, demands, claims and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered in person or by courier, (ii) sent by telecopy or facsimile transmission, answer back requested, or (iii) mailed, certified first class mail, postage prepaid, return receipt requested, to the parties hereto at the following addresses:

<S>	<C>
if to Chiles:	Chiles Offshore Corporation 1400 Broadfield Blvd., Suite 400 Houston, Texas 77084-5133 Attention: C. Ray Bearden
with a copy to:	Vinson & Elkins L.L.P. 2500 First City Tower Houston, Texas 77002-6760 Attention: Keith R. Fullenweider
if to Noble:	Noble Drilling Corporation 10370 Richmond Avenue, Suite 400 Houston, Texas 77042 Attention: James C. Day
with a copy to:	Thompson & Knight, P.C. 1700 Pacific Avenue, Suite 3300 Dallas, Texas 75201 Attention: Robert D. Campbell

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or to such other address as any party shall have furnished to the other by notice given in accordance with this Section 7.7. Such notices shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, when the answer back is received, or (iii) if mailed, upon the earlier of five days after deposit in the mail and the date of delivery as shown by the return receipt therefor.

7.8 Governing Law. This Agreement shall be governed by and construed in accordance with the substantive law of the State of Texas without giving effect to the principles of conflicts of law thereof.

7.9 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provision, covenants and restrictions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated.

7.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

7.11 Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

7.12 Confidentiality Agreements. The Confidentiality Agreements entered into between Noble and Chiles in May 1994 (the "Confidentiality Agreements") are hereby incorporated by reference herein and made a part hereof.

7.13 Entire Agreement; Third Party Beneficiaries. This Agreement and the Confidentiality Agreements constitute the entire agreement and supersede all other prior agreements and understandings, both oral and written, among the parties or any of them, with respect to the subject matter hereof and neither this nor any document delivered in connection with this Agreement confers upon any person not a party hereto any rights or remedies hereunder except as provided in Sections 5.7, 5.8 and 5.11.

7.14 Disclosure Letters.

(a) The Chiles Disclosure Letter, executed by Chiles as of the date hereof, and delivered to Noble on the date hereof, contains all disclosure required to be made by Chiles under the various terms and

provisions of this Agreement. Each item of disclosure set forth in the Chiles Disclosure Letter specifically refers to the Article and Section of the Agreement to which such disclosure responds, and shall not be deemed to be disclosed with respect to any other Article or Section of the Agreement.

(b) The Noble Disclosure Letter, executed by Noble as of the date hereof, and delivered to Chiles on the date hereof, contains all disclosure required to be made by Noble under the various terms and provisions of this Agreement. Each item of disclosure set forth in the Noble Disclosure Letter specifically refers to the Article and Section of the Agreement to which such disclosure responds, and shall not be deemed to be disclosed with respect to any other Article or Section of the Agreement.

7.15 Stock Exchange. If any securities of Noble become listed and traded on the New York Stock Exchange, references herein to the "NASDAQ National Market System" shall be deemed changed to the "New York Stock Exchange" where the context so requires; provided that, subject to Section 6.1(f) hereof, there shall be no obligation on Noble to list the $1.50 Noble Preferred Stock on such exchange.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the date first above written.

NOBLE DRILLING CORPORATION

By: /s/ JAMES C. DAY

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JAMES C. DAY
Chairman, President and
Chief Executive Officer

NOBLE OFFSHORE CORPORATION

By: /s/ BYRON L. WELLIVER

BYRON L. WELLIVER
President

CHILES OFFSHORE CORPORATION

By: /s/ C. RAY BEARDEN

C. RAY BEARDEN
President

EXHIBIT A

CHILES AFFILIATE'S AGREEMENT

Noble Drilling Corporation
10370 Richmond Avenue, Suite 400
Houston, Texas 77042

Gentlemen:

I have been advised that as of the date hereof, I may be deemed to be an "affiliate" of Chiles Offshore Corporation, a Delaware corporation ("Chiles"), as that term is defined for purposes of paragraphs (c) and (d) of Rule 145 of the Rules and Regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act").

Pursuant to the terms of the Agreement and Plan of Merger among Noble Drilling Corporation, a Delaware corporation ("Noble"), Noble Offshore Corporation, a newly formed Delaware corporation and a wholly-owned subsidiary of Noble ("Noble Sub"), and Chiles, dated as of June 13, 1994 (the "Merger Agreement") providing for, among other things, the merger of Chiles with and into Noble Sub (the "Merger"), I will be entitled to receive shares of Common Stock, par value $0.10 per share, of Noble ("Noble Stock"), in exchange for the shares of Common Stock, par value $0.01 per share, of Chiles ("Chiles Common Stock") owned by me at the effective time of the Merger as determined pursuant to the Merger Agreement. I understand that the Merger will be treated as a "pooling of interests" in accordance with generally accepted accounting principles and that the staff of the Commission has issued certain guidelines that should be followed to ensure the pooling of the entities.

I hereby represent and warrant that, since 30 days before closing to and including the date hereof, I have not sold, transferred or otherwise disposed of any shares of Chiles Common Stock.

In consideration of the agreements contained herein, Noble's reliance on this letter in connection with the consummation of the Merger and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I hereby represent, warrant and agree that (i) I will not make any sale, transfer or other disposition of Noble Stock received by me pursuant to the Merger or otherwise owned by me until such time as financial statements that include at least 30 days of combined operations of Chiles and Noble after the Merger shall have been publicly reported, unless I shall have delivered to Noble prior to any such sale, transfer or other disposition, a written opinion from Arthur Andersen & Co., independent public accountants for Noble, or a written no-action letter from the accounting staff of the Commission, in either case in form and substance reasonably satisfactory to Noble, to the effect that such sale, transfer or other disposition will not cause the Merger not to be treated as a "pooling of interests" for accounting purposes, and (ii) I will not make any sale, transfer or other disposition of any shares of Noble Stock received by me pursuant to the Merger in violation of the Securities Act or the Rules and Regulations. I have been advised that the issuance of the shares of Noble Stock pursuant to the Merger will have been registered with the Commission under the Securities Act on a Registration Statement on Form S-4. However, I have also

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been advised that since I may be deemed to be an affiliate of Chiles at the time the Merger is submitted for a vote of the stockholders of Chiles, the Noble Stock received by me pursuant to the Merger can be sold by me only (i) pursuant to an effective registration statement under the Securities Act, (ii) in conformity with the volume and other limitations of Rule 145 promulgated by the Commission under the Securities Act, or (iii) in reliance upon an exemption from registration that is available under the Securities Act.

I also understand that instructions will be given to Noble's transfer agent with respect to the Noble Stock to be received by me pursuant to the Merger and that there will be placed on the certificates representing such shares of Noble Stock, or any substitutions therefor, a legend stating in substance as follows:

> "These shares were issued in a transaction to which Rule 145 promulgated under the Securities Act of 1933 applies. These shares may only be transferred in accordance with the terms of such Rule and an Affiliate's Agreement between the original holder of such shares of Noble Drilling Corporation, a copy of which agreement is on file at the principal offices of Noble Drilling Corporation."

It is understood and agreed that the legend set forth above shall be removed upon surrender of certificates bearing such legend by delivery of substitute certificates without such legend if I shall have delivered to Noble an opinion of counsel, in form and substance reasonably satisfactory to Noble, to the effect that (i) the sale or disposition of the shares represented by the surrendered certificates may be effected without registration of the offering, sale and delivery of such shares under the Securities Act, and (ii) the shares to be so transferred may be publicly offered, sold and delivered by the transferee thereof without compliance with the registration provisions of the Securities Act.

By its execution hereof, Noble agrees that it will, as long as I own any Noble Stock to be received by me pursuant to the Merger, take all reasonable efforts to make timely filings with the Commission of all reports required to be filed by it pursuant to the Securities Exchange Act of 1934, as amended, and will promptly furnish upon written request of the undersigned a written statement confirming that such reports have been so timely filed.

If you are in agreement with the foregoing, please so indicate by signing below and returning a copy of this letter to the undersigned, at which time this letter shall become a binding agreement between us.

Very truly yours,

By: ___________________________
Name:
Title:
Date:
Address:

ACCEPTED this day
of , 1994

NOBLE DRILLING CORPORATION

By ___________________________
Name:
Title:

EXHIBIT B

NOBLE AFFILIATE'S AGREEMENT

Noble Drilling Corporation
10370 Richmond Avenue, Suite 400
Houston, Texas 77042

Gentlemen:

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I have been advised that as of the date hereof, I may be deemed to be an "affiliate" of Noble Drilling Corporation, a Delaware corporation ("Noble"), as that term is defined for the purposes of Rule 405 under the Securities Act of 1933, as amended.

Reference is made to the Agreement and Plan of Merger among Noble, Noble Offshore Corporation, a newly formed Delaware corporation and a wholly-owned subsidiary of Noble ("Noble Sub"), and Chiles Offshore Corporation, a Delaware corporation ("Chiles"), dated as of June 13, 1994 (the "Merger Agreement") providing for, among other things, the merger of Chiles with and into Noble Sub (the "Merger"), pursuant to which all outstanding shares of Common Stock, $.01 par value per share, of Chiles outstanding immediately prior to the Merger will be converted into the right to receive 0.75 of a share of Common Stock, $.10 par value per share, of Noble ("Noble Common Stock"). I understand that the Merger will be treated as a "pooling of interests" in accordance with generally accepted accounting principles and that the staff of the Securities and Exchange Commission (the "Commission") has issued certain guidelines that should be followed to ensure the pooling of the entities for accounting purposes.

In consideration for the foregoing, I hereby represent and warrant that, since 30 days before closing to and including the date hereof, I have not sold, transferred or otherwise disposed of any shares of Noble Common Stock. I further hereby represent, warrant and agree that I will not make any sale, transfer or other disposition of Noble Common Stock owned by me until such time as financial statements that include at least 30 days of combined operations of Chiles and Noble after the Merger shall have been publicly reported, unless I shall have delivered to Noble prior to any such sale, transfer or other disposition, a written opinion from Arthur Andersen & Co., independent public accountants for Noble, or a written no-action letter from the accounting staff of the Commission, in either case in form and substance reasonably satisfactory to Noble, to the effect that such sale, transfer or other disposition will not cause the Merger not to be treated as a "pooling of interests" for accounting purposes.

Very truly yours,

By: ___________________________
Name:
Title:
Date:

EXHIBIT C

CHILES DESIGNEES:

PART I

NAME	TERM
Marc E. Leland	through 1997 Annual Meeting of Noble Stockholders
Lawrence Chazen (subject to approval of nominating committee as set forth in Part II below) or, at the option of Chiles, a designee of Chiles determined prior to the filing of the Proxy Statement with the Commission, selected in accordance with Part II	through 1996 Annual Meeting of Noble Stockholders

PART II

Any person that is to be designated by Chiles for election to the Board of Directors of Noble pursuant to Section 5.6 of the Agreement must be a person possessing suitable business and educational qualifications and personal characteristics and must be approved by the nominating committee of the Board of Directors of Noble in its reasonable discretion.

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Exh. C-1

EXHIBIT D

(i) Chiles is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now being conducted as described in the Proxy Statement;

(ii) The certificate of merger prepared for filing with the Secretary of State of Delaware complies in all material respects with the requirements of the DGCL, and upon filing of such certificate with the Secretary of State of Delaware, the Merger will become effective in accordance with the applicable provisions of the DGCL;

(iii) The affirmative vote of the holders of a majority of the outstanding shares of Chiles Common Stock is the only vote of the holders of any class or series of the capital stock of Chiles necessary to approve the Agreement and the Merger;

(iv) Chiles has the requisite corporate power to merge with and into Sub as contemplated by the Agreement;

(v) The execution and delivery of the Agreement did not, and the consummation of the Merger will not, violate any provisions of Chiles's Certificate of Incorporation or Bylaws; and

(vi) The Agreement has been duly and validly authorized, executed and delivered by Chiles, and the Agreement is a valid and binding agreement of Chiles enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or court decisions affecting creditors' rights generally and by other general equitable principles.

Exh. D-1

EXHIBIT E

(i) Noble is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now being conducted as described in the Registration Statement;

(ii) The certificate of merger prepared for filing with the Secretary of State of Delaware complies in all material respects with the requirements of the DGCL, and upon filing of such certificate with the Secretary of State of Delaware, the Merger will become effective in accordance with the applicable provisions of the DGCL;

(iii) The appropriate filings have been made with respect to the Merger to cause the Merger to become effective with the Secretary of State of the State of Delaware;

(iv) The affirmative vote of the holders of a majority of the outstanding shares of Noble Common Stock is the only vote of the holders of any class or series of the capital stock of Noble necessary to approve the Noble Charter Amendment; and the affirmative vote of the holders of a majority of the shares of Noble Common Stock present at the Noble special stockholders' meeting convened in accordance with Section 4.3 of the Agreement and entitled to vote thereon is the only vote of the holders of any class or series of the capital stock of Noble necessary to approve the Agreement;

(v) Sub has the requisite corporate power to merge with Chiles as contemplated by the Agreement;

(vi) The execution and delivery of the Agreement did not, and the consummation of the Merger will not, violate any provision of the Certificates of Incorporation or Bylaws of Noble or Sub;

(vii) The Agreement has been duly and validly authorized, executed and delivered by Noble and Sub, and the Agreement is a valid and binding agreement

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of Noble and Sub enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or court decisions affecting creditors' rights generally and by other general equitable principles;

(viii) The Registration Statement has become effective under the Securities Act and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been initiated or are pending or threatened by the Commission under the Securities Act; and

(ix) The shares of Noble Common Stock and Noble Preferred Stock to be delivered in connection with the Merger are duly authorized and reserved for issuance and, when issued in accordance with the terms and conditions of the Agreement, will be validly issued, fully paid and nonassessable.

EXHIBIT F

NOBLE DRILLING CORPORATION

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated as of _______________, 1994 (this "Agreement") by and between NOBLE DRILLING CORPORATION, a Delaware corporation (the "Company"), and P.A.J.W. CORPORATION, a Delaware corporation (the "Stockholder");

W I T N E S S E T H:

WHEREAS, the Stockholder is the holder of 11,535,587 shares of the common stock, par value $0.01 per share, of Chiles Offshore Corporation, a Delaware corporation ("COC"), constituting approximately 30.3% of the currently outstanding shares of such class of stock;

WHEREAS, the Company, Noble Offshore Corporation, a newly formed, wholly-owned subsidiary of the Company ("Sub"), and COC are parties to that certain Agreement and Plan of Merger dated as of June 13, 1994 (the "Merger Agreement") pursuant to which COC will be merged with and into Sub (the "Merger") and all of the issued and outstanding capital stock of COC will be converted into the right to receive capital stock of the Company (and cash in lieu of fractional shares of common stock of the Company);

WHEREAS, the ability of the Stockholder to freely trade the shares of common stock, par value $.10 per share, of the Company ("Common Stock") received by the Stockholder pursuant to the Merger may be limited by applicable federal securities laws so that such shares of Common Stock may be less liquid than the shares of Common Stock received pursuant to the Merger by other stockholders of COC;

WHEREAS, in order to improve the transferability of the Common Stock to be received by the Stockholder pursuant to the Merger, the Stockholder has requested the Company to provide to the Stockholder limited registration rights with respect to the shares of Common Stock to be received by the Stockholder pursuant to the Merger and the Company has agreed to provide such rights on the terms and subject to the conditions herein; and

WHEREAS, the execution and delivery of this Agreement by the Company and the Stockholder is a condition to the obligation of the Company to effect the Merger;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

REGISTRATION RIGHTS

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The Company and the Stockholder covenant and agree as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The terms "register," "registered" and "registration" refer to a registration of securities effected by preparing and filing a registration statement or similar document in compliance with the Securities Act (as defined below), and the declaration or ordering of effectiveness of such registration statement or document.

(b) The term "Registrable Securities" means (i) the Common Stock received by the Stockholder pursuant to the Merger and (ii) a dividend or other distribution with respect to, or in exchange for or in replacement of, such Common Stock.

(c) The term "Restricted Securities" means the Registrable Securities upon original issuance thereof, subject to the provisions of Section 1.2 hereof.

(d) The term "Person" means an individual, partnership, corporation, trust or unincorporated organization, or government or agency or political subdivision thereof.

(e) The term "Board" means the Board of Directors of the Company.

(f) The term "Commission" means the Securities and Exchange Commission.

(g) The term "Securities Act" means the Securities Act of 1933, as amended, and the term "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(h) The term "GECC Agreement" means that certain Registration Rights Agreement dated as of January 29, 1988, between the Company and General Electric Capital Corporation, as amended by the First Amendment thereto dated February 5, 1993.

(i) The term "Beall Agreement" means that certain Registration Agreement dated as of April 22, 1994, between the Company and Joseph E. Beall.

1.2 Securities Subject to this Agreement. The securities entitled to the benefits of this Agreement are the Registrable Securities but with respect to any particular Registrable Security, only so long as such security continues to be a Restricted Security. A Registrable Security ceases to be a Restricted Security when (a) it has been effectively registered under the Securities Act and disposed of in accordance with the registration statement covering it, (b) it is sold pursuant to Rule 144 or Rule 145 (or any similar provision then in force) under the Securities Act or (c) it has otherwise been transferred by the Stockholder.

1.3 Demand Registration.

(a) If the Company shall receive, at any time after the later of (i) the expiration of the term of the GECC Agreement and (ii) the time when financial statements that include at least 30 days of combined operations of the Company and COC after the Merger have been publicly reported, and prior to the fifth anniversary of the date of this Agreement, a written request from the Stockholder that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities, then the Company shall, subject to the limitations of Sections 1.3(c), 1.5 and 1.7 hereof, effect the registration of all Registrable Securities that the Stockholder requests to be registered within 30 days of the receipt by the Company of such written request by means of a "shelf" registration statement on any appropriate form under the Securities Act for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act. The Company agrees to use its best efforts to keep such shelf registration statement continuously effective for a period of six months following the date on which such shelf registration statement is declared effective (plus the number of days of any discontinuance described below).

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(b) If the Stockholder intends to distribute the Registrable Securities covered by the request by means of an underwriting, it shall so advise the Company as a part of its request made pursuant to this Section 1.3.

(c) The Company is obligated to effect two registrations pursuant to this Section 1.3; provided, however, that (i) the Company shall only be required to effect one registration of Registrable Securities under this Section 1.3 within any two-year period; (ii) if the Stockholder has the opportunity under Section 1.4 to register Registrable Securities during the term of this Agreement prior to the time the Company has effected two registrations pursuant to this Section 1.3, then the Company shall only be obligated to effect one registration under this Section 1.3 during the term of this Agreement; (iii) the Stockholder shall lose the right to demand one registration pursuant to this Section if the number of Registrable Securities then held by the Stockholder decreases to less than five percent of the then outstanding Common Stock; and (iv) the Company shall not be obligated to effect any registration requested pursuant to this Section 1.3 if the number of shares of Registrable Securities then held by the Stockholder shall be less than one percent of the then outstanding Common Stock. A registration shall not be deemed to have been effected (i) unless it has become effective and remained effective for the period specified in Section 1.3(a) or until the Registrable Securities registered under such registration statement have been sold, or (ii), if, after it has become effective, such registration is terminated by a stop order, injunction or other order of the Commission or other governmental agency or court.

(d) Subject to Section 1.3(e), any holder of shares of Common Stock of the Company that is a party to an agreement with the Company pursuant to which such holder is granted registration rights under the Securities Act shall also have the right to include such shares in any shelf registration pursuant to this Section 1.3.

(e) If any of the Registrable Securities registered pursuant to any shelf registration pursuant to this Section 1.3 are to be sold in one or more underwritten offerings, and the managing underwriter or underwriters deliver an opinion to the Company and the Stockholder

that the total number of shares of Common Stock which the Stockholder and any other Persons intend to include in such offering exceeds the number of shares that can be sold in such offering, there shall be included in such underwritten offering the number of shares of Common Stock which in the opinion of such underwriters can be sold, and such shares shall be allocated pro rata among the holders of shares of Common Stock to be sold on the basis of the number of shares of Common Stock to be registered; provided, that if shares of Common Stock are being offered for the account of other Persons as well as the Stockholder, a reduction in number of shares shall first be made from the shares intended to be offered by such Persons other than the Stockholder.

(f) Anything in this Agreement to the contrary notwithstanding, the Company shall not be required to register any Registrable Securities pursuant to this Section 1.3 if the Stockholder had the opportunity to register Registrable Securities pursuant to Section 1.4 hereof within the six months immediately preceding such request, but declined to do so; provided, however, that the provisions of this paragraph (f) shall not apply if the Stockholder requested registration of such Registrable Securities pursuant to Section 1.4 hereof and 25 percent or more of such Registrable Securities were excluded from the offering by the managing underwriter or underwriters thereof.

1.4 Company Registration. At any time within five years of the date of this Agreement that the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Stockholder, except as set forth below with respect to shares offered pursuant to the Beall Agreement) any shares of its Common Stock under the Securities Act for sale within such five-year period (other than registration of the Company's Common Stock for issuance or sale (a) pursuant to Section 1.3 hereof, (b) pursuant to the Beall Agreement or (c) in connection with (i) employee or non-employee director compensation or benefit programs, (ii) an exchange offer or an offering of securities solely to the existing stockholders

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or employees of the Company or (iii) an acquisition, merger or other business combination using a registration statement on Form S-4 or any successor or other appropriate form), the Company will give prompt written notice (which, in any event, shall be given no less than 15 days prior to the filing of a registration statement with respect to such offering) to the Stockholder of its intention so to do and, upon the written request of the Stockholder sent within 15 days after the effective date of any such notice, the Company will, subject to the provisions of Sections 1.5 and 1.7 hereof, use its best efforts to cause all Registrable Securities as to which the Stockholder shall have so requested registration, to be registered under the Securities Act, all to the extent necessary to permit the sale in such offering of the Registrable Securities so registered on behalf of the Stockholder in the same manner as the Company (or stockholder other than the Stockholder, as the case may be) proposes to offer its shares of Common Stock. The Company shall use its best efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities requested by the Stockholder to be included in the registration for such offering on the same terms and conditions as the shares of Common Stock of the Company included therein. Notwithstanding the foregoing, if the managing underwriter or underwriters of such offering deliver an opinion to the Company and the Stockholder that the total number of shares of Common Stock which the Stockholder or the Company, and any other Person, intend to include in such offering will in the good faith opinion of such managing underwriter or underwriters materially and adversely affect the success of such offering, then the number of shares of

Common Stock to be offered for the account of the Stockholder shall be reduced pro rata based upon the number of shares of Common Stock proposed to be sold by the Company, the Stockholder and other Persons to the extent necessary to reduce the total number of shares of Common Stock to be included in such offering to the number of shares recommended by such managing underwriter; provided, that if shares of Common Stock are being offered for the account of other Persons as well as the Company, such reduction shall first be made from the shares of Common Stock intended to be offered by such Persons other than the Stockholder.

1.5 Obligations of the Company. If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect the registration of any Registrable Securities, the Company shall as expeditiously as reasonably practicable:

(a) Prepare and file with the Commission a registration statement on an appropriate form under the Securities Act and use its best efforts to cause such registration statement to become effective; provided, that before filing a registration statement or prospectus or any amendments or supplements thereto, including documents incorporated by reference after the initial filing of any registration statement, as soon as practicable, the Company will furnish to the Stockholder and the underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the review of the Stockholder and the underwriters, and the Company will not file any registration statement or amendment thereto, or any prospectus or any supplement thereto (including such documents incorporated by reference) to which the Stockholder or the underwriters, if any, shall reasonably object in the light of the requirements of the Securities Act and any other applicable laws and regulations.

(b) Prepare and file with the Commission such amendments and post-effective amendments to a registration statement as may be necessary to keep such registration statement effective for the applicable period; cause the related prospectus to be filed pursuant to Rule 424(b) under the Securities Act; cause such prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424(b) under the Securities Act; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition set forth in such registration statement or supplement to such prospectus.

(c) Notify the Stockholder and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such advice in writing,

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(i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to a registration statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission for amendments or supplements to a registration statement or related prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) if at any time the representations and warranties of the Company contemplated by Section 1.5(l) cease to be true and correct, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (vi) of the happening of any event which requires the making of any changes in a registration statement or related prospectus so that such documents will not contain any untrue

statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (vii) of the Company's reasonable determination that a post-effective amendment to a registration statement would be appropriate or that there exist circumstances not yet disclosed to the public which make further sales under such registration statement inadvisable pending such disclosures and post-effective amendment.

(d) Make reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction, at the earliest possible moment.

(e) If requested by the managing underwriters or the Stockholder in connection with an underwritten offering, immediately incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriters and the Stockholder agree should be included therein relating to such sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of shares of Registrable Securities being sold to such underwriters and the purchase price being paid therefor by such underwriters and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; make all required filings of such prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such prospectus supplement or post- effective amendment; and supplement or make amendments to any registration statement if requested by the Stockholder or any underwriter of such Registrable Securities.

(f) Furnish to the Stockholder and each managing underwriter, if any, without charge, at least one signed copy of the registration statement, any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference).

(g) Deliver without charge to the Stockholder and the underwriters, if any, as many copies of the prospectus or prospectuses (including each preliminary prospectus) and any amendment or supplement thereto as such Persons may reasonably request; and the Company consents to the use of such prospectus or any amendment or supplement thereto by the Stockholder and the underwriters, if any, in connection with the offer and sale of the Registrable Securities covered by such prospectus or any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Securities, register or qualify or cooperate with the Stockholder, the underwriters, if any, and respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Stockholder or an underwriter reasonably requests in writing; keep each such registration or qualification effective during the period such registration statement is required to be kept effective and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the applicable registration statement; provided, however, that the Company will not be required in connection therewith or as a condition

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thereto to qualify generally to do business or subject itself to general service of process in any such jurisdiction where it is not then so subject.

(i) Cooperate with the Stockholder and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters.

(j) Use its best efforts to cause the Registrable Securities covered by the applicable registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary, if any, to consummate the disposition of such Registrable Securities.

(k) Upon the occurrence of any event contemplated by Section 1.5(c) (ii) - (vii) above, prepare a supplement or post- effective amendment to the applicable registration statement or related prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchaser of the Registrable Securities being sold thereunder, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading.

(l) Enter into such agreements (including an underwriting agreement) and take all such other actions in connection therewith in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, whether or not an underwriting agreement is entered into and whether or not the Registrable Securities to be covered by such registration are to be offered in an underwritten offering: (i) make such representations and warranties to the Stockholder with respect to the registration statement, prospectus and documents incorporated by reference, if any, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested; (ii) obtain opinions of counsel to the Company and updates thereof with respect to the registration statement and the prospectus in the form, scope and substance which are customarily delivered in underwritten offerings; (iii) in the case of an underwritten offering, enter into an underwriting agreement in form, scope and substance as is customary in underwritten offerings and obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters and the Stockholder) addressed to the Stockholder and the underwriters, if any, covering the matters customarily covered in opinions delivered in underwritten offerings and such other matters as may be reasonably requested by the Stockholder and such underwriters; (iv) obtain "cold comfort" letters and updates thereof from the Company's independent certified public accountants addressed to the Stockholder and the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters by accountants in connection with underwritten offerings; (v) if any underwriting agreement is entered into, the same shall set forth in full the indemnification provisions and procedures customarily included in underwriting agreements in underwritten offerings; and (vi) the Company shall deliver such documents and certificates as may be requested by the Stockholder and the managing underwriters, if any, to evidence compliance with clause (i) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement or as and to the extent required thereunder.

(m) Make available for inspection by a representative of the Stockholder, any underwriter participating in any disposition pursuant to such

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registration, and any attorney or accountant retained by the Stockholder or such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, underwriter, attorney or accountant in connection with such registration; provided that any records, information or documents that are designated by the Company in writing as confidential shall be kept confidential by such Persons unless disclosures of such records, information or documents is required by court or administrative order.

(n) Otherwise use its best efforts to comply with all applicable rules and regulations of the Commission and make generally available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act, no later than 90 days after the end of any 12-month period (i) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a firm or best efforts underwritten offering and (ii) beginning with the first day of the Company's first fiscal quarter next succeeding each sale of Registrable Securities after the effective date of a registration statement, which statements shall cover said 12-month periods.

(o) If the Company, in the exercise of its reasonable judgment, objects to any change reasonably requested by the Stockholder or the underwriters, if any, to any registration statement or prospectus or any amendments or supplements thereto (including documents incorporated or to be incorporated therein by reference) as provided for in this Section 1.5, the Company shall not be obligated to make any such change and the Stockholder may withdraw its Registrable Securities from such registration, in which event (i) the Company shall pay all registration expenses (including its counsel fees and expenses) incurred in connection with such registration statement or amendment thereto or prospectus or supplement thereto, (ii) in the case of a shelf registration, the shelf registration statement or amendment thereto shall be filed as soon as agreement with respect to any proposed change shall be reached among all the applicable parties and (iii) in the case of a registration being effected pursuant to Section 1.3, such registration shall not count as one of the registrations the Company is obligated to effect pursuant to Section 1.3(c) hereof.

In connection with any registration of Registrable Securities, the Company may require the Stockholder to furnish to the Company such information regarding itself and the distribution of such securities as the Company may from time to time reasonably request in writing.

The Stockholder agrees by acquisition of Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 1.5(c)(ii)-(vii) hereof, the Stockholder will forthwith discontinue disposition of Registrable Securities covered by such registration statement or prospectus until the Stockholder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 1.5(c)(i) hereof, or until it is advised in writing by the Company that the use of the applicable prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in such prospectus, and, if so directed by the Company, the Stockholder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in the Stockholder's possession, of the prospectus covering such

Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period mentioned in Section 1.3(a) shall be extended by the number of days during the time period from and including the date of the giving of such notice pursuant to Section 1.5(c) hereof to and including the date when the Stockholder shall have received the copies of the supplemented or amended prospectus contemplated by Section 1.5(c) hereof.

1.6 Expenses of Registration. All expenses incurred in connection with a registration, filing or qualification pursuant to Section 1.3 hereof (other than fees and expenses of the Company's counsel), including, without limitation, registration, filing and qualification fees, printers' and accounting fees, and the fees and disbursements of counsel for the Stockholder,

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shall be borne and paid by the Stockholder, pro rata in such proportion as the number of Registrable Securities registered pursuant to such registration bears to the total amount of securities registered pursuant thereto. All expenses incurred in connection with a registration pursuant to Section 1.4 (including, but not limited to the expenses enumerated in the preceding sentence) shall be borne by the Company, with the exception of fees and disbursements of the Stockholder's counsel, which shall be borne by the Stockholder. In addition, the Stockholder shall bear and pay all underwriting discounts and selling commissions attributable to sales of Registrable Securities.

1.7 Underwritten Registrations.

(a) If any of the Registrable Securities covered by any registration under Section 1.3 are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Stockholder; provided, that such investment bankers and managers must be reasonably satisfactory to the Company.

(b) The Stockholder may not participate in any underwritten registration under Section 1.4 hereunder unless it (i) agrees to sell its securities on the basis provided in any underwriting arrangements approved and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. In connection with any underwritten offering including securities being issued or sold by the Company, the Company shall be entitled to approve the terms of the underwriting arrangements.

1.8 Indemnification. In the event any Registrable Securities are included in a registration statement under this Agreement:

(a) To the extent permitted by law, the Company will indemnify and hold harmless the Stockholder, the officers and directors of the Stockholder, each underwriter of Registrable Securities and each other Person, if any, who controls the Stockholder or such underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities or expenses, joint or several, to which any such Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such

Registrable Securities were registered under the Securities Act pursuant hereto, or any post-effective amendment thereof, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, if used prior to the effective date of the registration statement and not corrected in the final prospectus, or contained in the final prospectus (as amended or supplemented, if the Company shall have filed with the Commission any amendment thereof or supplement thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse any such Person for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or expense; provided, however, that the indemnity agreement contained in this Section 1.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or expense if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld); and provided further that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon any such untrue statement or omission or alleged untrue statement or omission which has been made in said registration statement, preliminary prospectus, prospectus or amendment or supplement or omitted therefrom in reliance upon and in conformity with information furnished in writing to the Company by the Stockholder or such underwriter specifically for use in the preparation thereof.

(b) To the extent permitted by law, the Stockholder will indemnify

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and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, each underwriter and each Person who controls any underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities or expenses, joint or several, to which the Company or any such Person, may become subject under the Securities Act or otherwise, and will reimburse the Company or any such Person for any legal or other expenses reasonably incurred by the Company or such Person in connection with investigating or defending any such loss, claim, damage, liability or expense, but only insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission of a material fact referred to in clause (i) or (ii) of Section 1.8(a) hereof, in each case to the extent (and only to the extent) that such untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with information furnished in writing by or on behalf of the Stockholder specifically for use in connection with such registration; provided, however, that the indemnity agreement contained in this Section 1.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or expense if such settlement is effected without the consent of the Stockholder, which consent shall not be unreasonably withheld.

(c) Promptly after receipt by an indemnified party under this Section 1.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 1.8, notify the indemnifying party in writing of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires,

to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure so to notify an indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.8, but the omission so to notify the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.8.

(d) If the indemnification provided for in this Section 1.8 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 1.8(c) hereof, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 1.8(d) were determined by pro rata

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allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

1.9 Reports Under Exchange Act. With a view to making available to the Stockholder the benefits of Rule 145 under the Securities Act and any other rule or regulation of the Commission that may at any time permit the Stockholder to sell securities of the Company to the public without registration, the Company agrees to:

(a) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act, and the rules and regulations adopted by the Commission thereunder; and

(b) furnish to the Stockholder forthwith upon request (i) a written statement by the Company as to whether it has complied with the reporting requirements of Rule 144, (ii) a copy

of the most recent annual or quarterly report of the Company and such other reports and documents filed by the Company pursuant to the Exchange Act and (iii) such other information as may be reasonably requested in availing the Stockholder of any rule or regulation of the Commission which permits the sale of any securities without registration.

1.10 Assignment of Registration Rights. The right to cause the Company to register Registrable Securities pursuant to this Agreement may not be assigned, in whole or in part, by the Stockholder without the prior written consent of the Company.

1.11 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Stockholder, enter into any agreement with any holder or prospective holder of any securities of the Company which grants registration rights under the Securities Act on terms and conditions more favorable than the rights granted to the Stockholder in this Agreement. The Company is not a party to any currently subsisting agreement with respect to its securities granting any registration rights to any Person, except the GECC Agreement and the Beall Agreement.

1.12 Hold-Back Agreements.

(a) If a registration statement is filed pursuant to Section 1.3 or 1.4 hereof, the Stockholder agrees not to effect any public sale or distribution of the issue being registered or similar security of the Company, including a sale pursuant to Rule 144 or Rule 145 under the Securities Act (except as part of such underwritten registration), during the 14-day period prior to, and during the 90-day period beginning on, the closing date of each underwritten offering made pursuant to such registration statement, to the extent timely notified in writing by the Company or the managing underwriters.

(b) The Company agrees (i) not to effect any public sale or distribution of any securities similar to those being registered during the 14-day period prior to, and during the 90-day period beginning on, the effective date of a registration statement filed pursuant to Section 1.3 or 1.4 hereof (except as part of such underwritten registration or in connection with (A) employee or non-employee director compensation or benefit programs, (B) an exchange offer or an offering of securities solely to the existing stockholders or employees of the Company, or (C) an acquisition, merger or other business combination using a registration statement on Form S-4 or any successor or other appropriate form), and (ii) to cause each holder of its privately placed securities purchased from the Company at any time on and after the date of this Agreement to agree not to effect any public sale or distribution of any such securities during such period, including a sale pursuant to Rule 144 under the Securities Act (except as part of such underwritten registration, if permitted).

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ARTICLE II

MISCELLANEOUS

2.1 Successors and Assigns; No Third Party Benefit. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto and their respective permitted successors and assigns any rights or remedies under or by reason of this Agreement, except as expressly provided in this Agreement.

2.2 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Texas, without giving effect to the principles of conflicts of law thereof.

2.3 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all, the parties hereto.

2.4 Titles and Subtitles. The titles and subtitles used in this Agreement are inserted for convenience only and are not to be considered in construing or interpreting this Agreement.

2.5 Notices. All notices and other communications provided for or permitted hereunder shall be made in writing and shall be delivered by (a) personal delivery, (b) expedited delivery service or (c) certified or registered mail, postage prepaid. Any such notice shall be deemed given upon its receipt at the following address:

(i) If to the Stockholder, initially at Potomac Tower, Suite 1700, 1001 19th Street North, Arlington, Virginia 22209 and thereafter at such other address, notice of which is given to the Company in accordance with this Section 2.5; and

(ii) If to the Company, initially at 10370 Richmond Avenue, Suite 400, Houston, Texas 77042 and thereafter at such other address, notice of which is given in accordance with this Section 2.5.

2.6 Adjustments Affecting Registrable Securities. The Company will not take any action, or permit any change to occur, with respect to the Registrable Securities which would adversely affect (a) the ability of the Stockholders to include such Registrable Securities in a registration undertaken pursuant to this Agreement or (b) the marketability of such Registrable Securities in any such registration.

2.7 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof (which may be generally or in a particular instance and either retroactively or prospectively) may not be given, unless the Company has obtained the written consent of the Stockholder.

2.8 Severability. If any provision or any portion of any provision of this Agreement or the application of such provision or any portion thereof to any Person or circumstance shall be held invalid or unenforceable, the remaining portion of such provision, as it applies to other Persons or circumstances and the remaining provisions, shall not be affected or impaired thereby.

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2.9 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter herein contained. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to the securities received by the Stockholder pursuant to the Merger. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

NOBLE DRILLING CORPORATION

By:__________________________________
James C. Day, Chairman, President and
Chief Executive Officer

P.A.J.W. CORPORATION

By:__________________________________
Name:
Title:

GLOSSARY OF DEFINED TERMS

<TABLE>
<CAPTION>

<S>	PAGE <C>
Agreement	1
Noble	1
Sub	1
Chiles	1
Merger	1
Chiles Common Stock	1
Noble Common Stock	1
Chiles Preferred Stock	1
$1.50 Noble Preferred Stock	1
Code	1
DGCL	1
Surviving Corporation	1
Closing	1
Closing Date	1
Effective Time	1
Shares	2
Noble Subsidiaries	4
Noble Disclosure Letter	4
Noble Certificate	4
Noble Charter Amendment	4

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$2.25 Noble Preferred Stock	4
Triton Agreement	4
Noble Options	5
HSR Act	5
Commission	6
Securities Act	6
Exchange Act	6
Noble Commission Filings	6
Permitted Liens	7
Noble ERISA Affiliate	7
ERISA	7
Plan	7
Benefit Program or Agreement	7
Tax Returns	8
Taxes	8
Tax	8
Environmental Laws	10
CERCLA	10
RCRA	10
OPA	10
Governmental Authority	10
Chiles Subsidiaries	11
Chiles Disclosure Letter	11
Chiles Certificate	11
Chiles Options	11
Chiles 1990 Plan	11
Chiles Commission Filings	12
Chiles ERISA Affiliate	13
Proxy Statement	18
Chiles Acquisition Transaction	18
Registration Statement	20
Indemnified Parties	22
Indemnified Liabilities	22
Assumed Option	24
HSN	26
Confidentiality Agreements	29

</TABLE>

APPENDIX II

SIMMONS & COMPANY INTERNATIONAL
700 Louisiana Street, Suite 5000
Houston, Texas 77002
713-236-9999

June 13, 1994

Board of Directors
Noble Drilling Corporation
10370 Richmond Avenue, Suite 400
Houston, Texas 77042

Members of the Board:

You have requested the opinion of Simmons & Company International ("Simmons") as investment bankers as to the fairness, from a financial point of view, to the holders of common stock and $2.25 convertible exchangeable preferred stock ("$2.25 Noble Preferred Stock") of Noble Drilling Corporation ("Noble" or the "Company") of the consideration to be paid by Noble in the proposed merger of Chiles Offshore Corporation ("Chiles") with and into Noble Offshore Corporation, a wholly owned subsidiary of the Company (the "Noble Sub"), pursuant to the Agreement and Plan of Merger (the "Agreement"), to be executed by Noble, the Noble Sub and Chiles (the "Proposed Merger").

As more specifically set forth in the Agreement, in the Proposed Merger each issued and outstanding share of common stock of Chiles ("Chiles Common Stock") will be converted into the right to receive 0.75 of a share of common stock, par value of $.10 per share, of Noble ("Noble Common Stock"). Each issued and outstanding share of $1.50 convertible preferred stock of Chiles ("Chiles Preferred Stock") will be converted into the right to receive one share of a new series of $1.50 convertible preferred stock of Noble having substantially the same rights, privileges, preferences, and voting power as the Chiles Preferred Stock.

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Simmons, as a specialized energy-related investment banking firm, is engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, the management and underwriting of sales of equity and debt to the public, and private placements of equity and debt. Simmons has previously rendered investment banking services to the Company in connection with a number of transactions for which Simmons received customary compensation. In addition, in the ordinary course of business, Simmons may actively trade the securities of Noble and Chiles for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

In connection with rendering its opinion, Simmons has reviewed and analyzed, among other things, the following: (i) the Agreement; (ii) the financial statements and other information concerning the Company, including the Annual Reports on Form 10-K of the Company for each of the years in the three year period ended December 31, 1993, the common stock and senior notes prospectuses of the Company dated September 30, 1993, the Current Report on Form 8-K of the Company dated April 22, 1994, and the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 1994; (iii) certain near-term forecasts and other internal information, primarily financial in nature, concerning the business and operations of the Company, and reflecting its recent acquisitions, furnished by the Company for purposes of Simmons' analysis; (iv) certain publicly available information concerning the trading of, and the trading market for, Noble Common Stock and the $2.25 Noble Preferred Stock; (v) certain publicly available information concerning Chiles, including the Annual Reports on Form 10-K of Chiles for each of the years in the three year period ended December 31, 1993, the preferred stock prospectus of Chiles dated October 14, 1993, and the Quarterly Report on Form 10-Q of Chiles for the quarter ended March 31, 1994; (vi) certain near-term forecasts and other internal information, primarily financial in nature, concerning the business and operations of Chiles furnished by Chiles for purposes of Simmons' analysis; (vii) certain publicly available information concerning the trading of, and the trading market for, Chiles Common Stock and Chiles Preferred Stock; (viii) certain publicly available information with respect to certain other companies that Simmons believes to be comparable to the Company or Chiles ("Comparable Companies") and the trading markets for

such Comparable Companies' securities; (ix) certain publicly available information concerning estimates of the future operating and financial performance of the Company, Chiles and Comparable Companies prepared by industry experts unaffiliated with either the Company or Chiles; and (x) certain publicly available information concerning the nature and terms of certain other transactions considered relevant to the inquiry. Simmons has also met with certain officers and employees of the Company and Chiles to discuss the foregoing as well as other matters believed relevant to the inquiry.

In the review and analysis and in arriving at its opinion, Simmons has assumed and relied upon the accuracy and completeness of all of the financial and other information provided by the Company and Chiles, or publicly available, including without limitation, information with respect to asset conditions, tax positions, liability reserves and insurance coverages, and has not attempted independently to verify any of such information. Simmons has not conducted a physical inspection of any of the assets, properties or facilities of the Company or Chiles, nor has Simmons made or obtained any independent valuations or appraisals of any of such properties or facilities, other than certain publicly available estimates (the "Analyst Reports"). We have also assumed, with your permission, that the Proposed Merger be treated as a "pooling of interests" in accordance with generally accepted accounting principles.

In conducting its analysis and arriving at its opinion as expressed herein, Simmons has considered such financial and other factors as it deemed appropriate under the circumstances including, among others, the following: (i) the historical and current financial position and results of operations of the Company and Chiles; (ii) the business prospects of the Company and Chiles; (iii) the financial performance and historical and current market for the equity securities of Noble, Chiles and Comparable Companies; (iv) the relative value of each company's assets, based upon the Analyst Reports and information contained in each company's balance sheet; (v) the respective contributions in terms of assets, and current and prospective earnings and cash flow of Noble and Chiles

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to the combined company, and the relative ownership of Noble after the Proposed Merger by the current holders of Noble Common Stock and Chiles Common Stock; (vi) the pro forma effect of the Proposed Merger on Noble's capitalization ratios, earnings per share and cash flow per share; and (vii) the nature and terms of certain other acquisition transactions that Simmons believes to be relevant. Simmons' analyses reflect recent acquisitions and current capitalization structures of the Company and Chiles. Simmons has also taken into account other financial analyses and studies deemed appropriate, its assessment of general economic, market and financial conditions, and its experience in connection with similar transactions and securities valuation generally. Simmons' opinion necessarily is based upon conditions as they exist and can be evaluated on, and on the information made available at, the date hereof.

Simmons is acting as financial advisor to the Company in this transaction and will receive a customary fee for its services.

Based upon and subject to the foregoing, Simmons is of the opinion, as investment bankers, that the consideration to be paid by the Company in the Proposed Merger is fair, from a financial point of view, to holders of Noble Common Stock and the $2.25 Noble Preferred Stock.

Sincerely,

SIMMONS & COMPANY INTERNATIONAL

/s/ NICHOLAS L. SWYKA
- --------------------------
Nicholas L. Swyka
Managing Director

NLS/sm

APPENDIX III

SALOMON BROTHERS INC
Seven World Trade Center
New York, New York 10048

212-783-7000

SALOMON BROTHERS

June 13, 1994

The Board of Directors
Chiles Offshore Corporation
1400 Broadfield Boulevard, Suite 400
Houston, Texas 77084

Members of the Board:

You have requested our opinion as investment bankers as to the fairness, from a financial point of view, to the holders of shares of common stock, par value $0.01 per share (the "Company Common Stock"), and to holders of shares of $1.50 Convertible Preferred Stock, par value $1.00 per share (the "Company Preferred Stock"), of Chiles Offshore Corporation (the "Company") of the consideration to be received by such stockholders in the proposed merger of the Company with Noble Offshore Corporation ("Acquiror Sub"), a wholly-owned subsidiary of Noble Drilling Corporation ("Acquiror"), pursuant to the Agreement and Plan of Merger, dated as of June 13, 1994 (the "Agreement"), among Acquiror, Acquiror Sub and the Company (the "Proposed Merger").

As more specifically set forth in the Agreement, and subject to the terms and conditions thereof, in the Proposed Merger, each issued and outstanding share of the Company Common Stock will be converted into the right to receive 0.75 of a share of common stock, par value $0.10 per share, of Acquiror (the "Acquiror Common Stock") and each issued and outstanding share of Company Preferred Stock will be converted into the right to receive one share of a new series of $1.50 convertible preferred stock of Acquiror (the "Acquiror Preferred Stock"). Pursuant to the Agreement, cash will be exchanged in lieu of fractional shares of the Acquiror Common Stock.

As you are aware, Salomon Brothers Inc has acted as financial advisor to the Company in connection with the Merger and will receive a fee for our services.

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Salomon Brothers Inc has previously rendered certain investment banking and financial advisory services to the Company for which we have received customary compensation. Salomon Brothers Inc has also previously rendered investment banking and financial advisory services to Acquiror for which we have received customary compensation. In addition, in the ordinary course of our business, we may actively trade the securities of the Company and Acquiror for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

In connection with rendering our opinion we have reviewed and analyzed, among other things, the following: (i) the Agreement; (ii) certain publicly available information concerning the Company, including the Annual Reports on Form 10-K of the Company for each of the three years in the three year period ended December 31, 1993 and the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 1994; (iii) certain internal information, primarily historical financial in nature, concerning the business and operations of the Company furnished to us by the Company for purposes of our analysis; (iv) certain publicly available information concerning the trading of, and the trading market for, the Company Common Stock; (v) certain publicly available information concerning Acquiror, including the Annual Reports on Form 10-K

of Acquiror for each of the three years in the three year period ended December 31, 1993 and the Quarterly Report on Form 10-Q of the Acquiror for the quarter ended March 31, 1994; (vi) certain internal information, primarily historical financial in nature, concerning the business and operations of Acquiror furnished to us by Acquiror for purposes of our analysis; (vii) certain publicly available information concerning the trading of, and the trading market for, the Acquiror Common Stock; (viii) certain publicly available information with respect to certain other companies that we believe to be comparable to the Company or Acquiror and the trading markets for certain of such other companies' securities; and (ix) certain publicly available information concerning the nature and terms of certain other transactions that we consider relevant to our inquiry. We have also met with certain officers and employees of the Company and Acquiror to discuss the foregoing as well as other matters we believe relevant to our inquiry.

In our review and analysis and in arriving at our opinion, we have assumed and relied upon the accuracy and completeness of all of the financial and other information provided to us or publicly available and have not attempted independently to verify any of such information. We have not conducted a physical inspection of any of the properties or facilities of the Company of Acquiror, nor have we made or obtained any independent appraisals of any of such properties or facilities. We have assumed that the Acquiror Preferred Stock will have substantially identical rights, privileges, preferences and voting power as those of the Company Preferred Stock. In addition, we have assumed that the Proposed Merger will not be taxable for the holders of the Company Common Stock and the Company Preferred Stock, and that the Proposed Merger will be accounted for as a pooling of interests.

In conducting our analysis and arriving at our opinion as expressed herein, we have considered such financial and other factors as we have deemed appropriate under the circumstances including, among others, the following: (i) the historical and current financial position and results of operations of the Company and Acquiror; (ii) the business prospects of the Company and Acquiror; (iii) the historical and current trading market for the Company Common Stock, for the Acquiror Common Stock and for the equity securities of certain other companies that we believe to be comparable to the Company and Acquiror; and (iv) the nature and terms of certain other acquisition transactions that we believe to be relevant. We have also taken into account our assessment of general economic, market and financial conditions and our experience in connection with similar transactions and securities valuation generally. Our opinion is necessarily based upon conditions as they exist and can be evaluated on the date hereof. Our opinion as expressed herein is, in any event, limited to the fairness, from a financial point of view, to the holders of the Company Common Stock and the Company Preferred Stock, of the consideration to be received by such holders in the Proposed Merger and does not address the Company's underlying business decision to effect the Proposed Merger.

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Based upon and subject to the foregoing, we are of the opinion as investment bankers that the consideration to be received by the holders of the Company Common Stock and the Company Preferred Stock in the Proposed Merger is fair, from a financial point of view, to such holders.

Very truly yours,

SALOMON BROTHERS INC
/s/ Salomon Brothers Inc

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Noble is a Delaware corporation. Under Section 145 of the Delaware General Corporation Law (the "DGCL"), Noble has the power to indemnify its directors and officers, subject to certain limitations.

Reference is made to Article VI of the Bylaws of Noble, which provides for indemnification of directors and officers of Noble under certain circumstances.

Pursuant to the DGCL, the Restated Certificate of Incorporation of Noble limits the personal liability of the directors of Noble to Noble or its stockholders for monetary damages for breach of fiduciary duty under certain circumstances.

Noble also maintains insurance to protect itself and its directors, officers, employees and agents against expenses, liabilities and losses incurred by such persons in connection with their service in the foregoing capacities.

The foregoing summaries are necessarily subject to the complete text of the statute, bylaws, restated certificate of incorporation and insurance policy referred to above and are qualified in their entirety by reference thereto.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following exhibits are filed as part of this Registration Statement:

<TABLE>
<CAPTION>

NUMBER	EXHIBIT
<S>	<C>
2.1*	-- Agreement and Plan of Merger dated as of June 13, 1994, among Noble Drilling Corporation, Noble Offshore Corporation and Chiles Offshore Corporation (included as Appendix I to the Joint Proxy Statement/Prospectus forming a part of this Registration Statement).
2.2	-- Stock Purchase Agreement dated April 22, 1994, between Joseph E. Beall, George H. Bruce, Triton Engineering Services Company and Noble Drilling Corporation (filed as Exhibit 2.1 to Noble Drilling Corporation's Form 8-K dated May 6, 1994 and incorporated herein by reference).
2.3	-- Assets Purchase Agreement dated as of August 20, 1993 (the "Western Assets Purchase Agreement"), between Noble Drilling Corporation and The Western Company of North America (filed as Exhibit 2.1 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
2.4	-- Agreement dated as of October 7, 1993, among Noble Drilling Corporation, Noble Drilling (U.S.) Inc., Noble International Limited, The Western Company of North America and Offshore International Ltd., amending the Western Assets Purchase Agreement (filed as Exhibit 2.2 to Noble Drilling Corporation's Form 8-K dated October 15, 1993 and incorporated herein by reference).
2.5	-- Exchange Agreement dated as of June 4, 1993 (the "Exchange Agreement"), by and among Noble Drilling Corporation, Grasso Corporation, Offshore Logistics, Inc., PPI-Seahawk Services, Inc. and Noble Production Services Inc. (filed as Exhibit 2.2 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).

</TABLE>

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NUMBER	EXHIBIT
2.6	-- Amendment No. 1 dated October 29, 1993 to the Exchange Agreement by and among Noble Drilling Corporation, Grasso Corporation, Offshore Logistics, Inc., PPI-Seahawk Services, Inc. and Noble Production Services Inc. (filed as Exhibit 2.4 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference).
2.7	-- Assignment and Assumption Agreement made as of October 28, 1993, by and between Noble Production Management Inc., Noble Production Services Inc., OLOG Production Management Inc., PPI-Seahawk Services, Inc. and Grasso Corporation (filed as Exhibit 2.7 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference).
2.8	-- Assets Purchase Agreement dated as of August 20, 1993 (the "Portal Assets Purchase Agreement"), between Noble Drilling Corporation and Portal Rig Corporation (filed as Exhibit 2.3 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
2.9	-- Agreement dated as of October 25, 1993, among Noble Drilling Corporation, Noble (Gulf of Mexico) Inc. and Portal Rig Corporation, amending the Portal Assets Purchase Agreement (filed as Exhibit 2.5 to Noble Drilling Corporation's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1993 and incorporated herein by reference).
4.1	-- Restated Certificate of Incorporation of Noble Drilling Corporation dated August 29, 1985 (filed as Exhibit 3.7 to Noble Drilling Corporation's Registration Statement on Form 10 (No. 0-13857) and incorporated herein by reference).
4.2	-- Certificate of Amendment of Restated Certificate of Incorporation of Noble Drilling Corporation dated May 5, 1987 (filed as Exhibit 4.2 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
4.3	-- Certificate of Amendment of Restated Certificate of Incorporation of Noble Drilling Corporation dated June 1, 1987 (filed as Exhibit 4.3 to Noble Drilling Corporation's Registration Statement on Form S-3 and incorporated herein by reference).
4.4	-- Certificate of Amendment of Restated Certificate of Incorporation of Noble Drilling Corporation dated April 28, 1988 (filed as Exhibit 3.12 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1988 and incorporated herein by reference).
4.5	-- Certificate of Amendment of Restated Certificate of Incorporation of Noble Drilling Corporation dated April 27, 1989 (filed as Exhibit 3.13 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1989, as amended, and incorporated herein by reference).
4.6	-- Certificate of Amendment of Restated Certificate of Incorporation of Noble Drilling Corporation dated August 1, 1991 (filed as Exhibit 3.16 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1991 and incorporated herein by reference).
4.7	-- Certificate of Designations of $2.25 Convertible Exchangeable Preferred Stock, par value $1.00 per share, of Noble Drilling Corporation, dated as of November 18, 1991 (filed as Exhibit 3.17 to Noble Drilling Corporation's Annual Report on Form 10-K for the year ended December 31, 1991 and incorporated herein by reference).

NUMBER	EXHIBIT

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Number	Exhibit
4.8**	-- Form of Certificate of Designations of $1.50 Convertible Preferred Stock, par value $1.00 per share, of Noble Drilling Corporation.
4.9*	-- Form of certificate to evidence shares of $1.50 Convertible Preferred Stock of Noble Drilling Corporation.
4.10	-- Composite copy of the Bylaws of Noble Drilling Corporation as currently in effect (filed as Exhibit 4.8 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
4.11	-- Indenture governing the 9 1/4% Senior Notes Due 2003 of Noble Drilling Corporation (filed as Exhibit 4.1 to Noble Drilling Corporation's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1993 and incorporated herein by reference).
4.12	-- Form of Senior Notes (included in Section 2.02 of the Indenture filed as Exhibit 4.1 to Noble Drilling Corporation's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1993 and incorporated herein by reference).
5.1**	-- Opinion of Thompson & Knight, A Professional Corporation.
8.1**	-- Opinion of Thompson & Knight, A Professional Corporation.
10.1*	-- Credit Agreement dated as of June 16, 1994 among Noble Drilling Corporation, First Interstate Bank of Texas, N.A., in its individual capacity and as agent, and Credit Lyonnais Cayman Island Branch.
10.2*	-- Revolving Credit Note dated June 16, 1994 of Noble Drilling Corporation in the amount of $12,500,000 in favor of Credit Lyonnais Cayman Island Branch.
10.3*	-- Revolving Credit Note dated June 16, 1994 of Noble Drilling Corporation in the amount of $12,500,000 in favor of First Interstate Bank of Texas, N.A.
10.4*	-- Guaranty Agreement dated as of June 16, 1994 by and among Noble Drilling (U.S.) Inc., Noble Drilling (West Africa) Inc. and Noble Drilling (Mexico) Inc.
12.1*	-- Statement regarding computation of ratios.
23.1*	-- Consent of Arthur Andersen & Co.
23.2*	-- Consent of Arthur Andersen & Co.
23.3*	-- Consent of KPMG Peat Marwick.
23.4**	-- Consent of Thompson & Knight, A Professional Corporation (contained in its opinion to be filed as Exhibit 5.1).
23.5**	-- Consent of Thompson & Knight, A Professional Corporation (contained in its opinion to be filed as Exhibit 8.1).
23.6*	-- Consent of Simmons & Company International.
23.7*	-- Consent of Salomon Brothers Inc .
24.1*	-- Power of attorney (included on the signature page of this Registration Statement).

</TABLE>

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NUMBER	EXHIBIT
<S>	<C>
99.1*	-- Form of Proxy of Noble Drilling Corporation (relating to the Special Meeting of the stockholders of Noble Drilling Corporation described in the Joint Proxy Statement/Prospectus forming a part of this Registration Statement).
99.2*	-- Form of Proxy of Chiles Offshore Corporation (relating to the Special Meeting of the stockholders of Chiles Offshore Corporation described in the Joint Proxy Statement/Prospectus forming a part of this Registration Statement).

</TABLE>

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* Filed herewith.
** To be filed by amendment.

ITEM 22. UNDERTAKINGS.

(b) Filings incorporating subsequent Exchange Act documents by reference.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the

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Registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Acceleration of effectiveness.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Requests for information incorporated by reference; post-effective amendments.

The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on the 8th day of July, 1994.

NOBLE DRILLING CORPORATION

By: /s/ JAMES C. DAY

James C. Day
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. Each person whose signature appears below constitutes and appoints James C. Day and Byron L. Welliver, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign on his behalf individually and in each capacity stated below any amendment, including post-effective amendments, to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ JAMES C. DAY James C. Day	Chairman, President and Chief Executive Officer and Director (Principal Executive Officer)	July 8, 1994
/s/ BYRON L. WELLIVER Byron L. Welliver	Senior Vice President -- Finance and Treasurer (Principal Financial Officer)	July 8, 1994
/s/ ALAN KRENEK Alan Krenek	Controller (Principal Accounting Officer)	July 8, 1994
Michael A. Cawley	Director	
/s/ TOMMY C. CRAIGHEAD Tommy C. Craighead	Director	July 8, 1994
/s/ JOHNNIE W. HOFFMAN Johnnie W. Hoffman	Director	July 8, 1994
James L. Fishel	Director	
/s/ JOHN F. SNODGRASS John F. Snodgrass	Director	July 8, 1994
/s/ BILL M. THOMPSON Bill M. Thompson	Director	July 8, 1994

INDEX TO EXHIBITS

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2.2	-- Stock Purchase Agreement dated April 22, 1994, between Joseph E. Beall, George H. Bruce, Triton Engineering Services Company and Noble Drilling Corporation (filed as Exhibit 2.1 to Noble Drilling Corporation's Form 8-K dated May 6, 1994 and incorporated herein by reference).
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2.4	-- Agreement dated as of October 7, 1993, among Noble Drilling Corporation, Noble Drilling (U.S.) Inc., Noble International Limited, The Western Company of North America and Offshore International Ltd., amending the Western Assets Purchase Agreement (filed as Exhibit 2.2 to Noble Drilling Corporation's Form 8-K dated October 15, 1993 and incorporated herein by reference).

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2.5	-- Exchange Agreement dated as of June 4, 1993 (the "Exchange Agreement"), by and among Noble Drilling Corporation, Grasso Corporation, Offshore Logistics, Inc., PPI-Seahawk Services, Inc. and Noble Production Services Inc. (filed as Exhibit 2.2 to Noble Drilling Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
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4.1	-- Restated Certificate of Incorporation of Noble Drilling Corporation dated August 29, 1985 (filed as Exhibit 3.7 to Noble Drilling Corporation's Registration Statement on Form 10 (No. 0-13857) and incorporated herein by reference).

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NUMBER	EXHIBIT
<S>	<C>
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4.8**	-- Form of Certificate of Designations of $1.50 Convertible Preferred Stock, par value $1.00 per share, of Noble Drilling Corporation.
4.9*	-- Form of certificate to evidence shares of $1.50 Convertible Preferred Stock of Noble Drilling Corporation.
4.10	-- Composite copy of the Bylaws of Noble Drilling Corporation as currently in effect (filed as Exhibit 4.8 to Noble Drilling

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	Corporation's Registration Statement on Form S-3 (No. 33-67130) and incorporated herein by reference).
4.11	-- Indenture governing the 9 1/4% Senior Notes Due 2003 of Noble Drilling Corporation (filed as Exhibit 4.1 to Noble Drilling Corporation's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1993 and incorporated herein by reference).
4.12	-- Form of Senior Notes (included in Section 2.02 of the Indenture filed as Exhibit 4.1 to Noble Drilling Corporation's Quarterly Report on Form 10-Q for the three-month period ended September 30, 1993 and incorporated herein by reference).
5.1**	-- Opinion of Thompson & Knight, A Professional Corporation.
8.1**	-- Opinion of Thompson & Knight, A Professional Corporation.

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23.3*	-- Consent of KPMG Peat Marwick.
23.4**	-- Consent of Thompson & Knight, A Professional Corporation (contained in its opinion to be filed as Exhibit 5.1).
23.5**	-- Consent of Thompson & Knight, A Professional Corporation (contained in its opinion to be filed as Exhibit 8.1).
23.6*	-- Consent of Simmons & Company International.
23.7*	-- Consent of Salomon Brothers Inc .
24.1*	-- Power of attorney (included on the signature page of this Registration Statement).
99.1*	-- Form of Proxy of Noble Drilling Corporation (relating to the Special Meeting of the stockholders of Noble Drilling Corporation described in the Joint Proxy Statement/Prospectus forming a part of this Registration Statement).
99.2*	-- Form of Proxy of Chiles Offshore Corporation (relating to the Special Meeting of the stockholders of Chiles Offshore Corporation described in the Joint Proxy Statement/Prospectus forming a part of this Registration Statement).

- ---------------

* Filed herewith.
** To be filed by amendment.

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EXHIBIT 4.9

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

$1.50 CONVERTIBLE PREFERRED STOCK

NUMBER
NP

[NOBLE LOGO]

SHARES

THIS CERTIFICATE IS TRANSFERRABLE IN OKLAHOMA CITY, OKLAHOMA OR NEW YORK, NEW YORK

NOBLE DRILLING CORPORATION

CUSIP

SEE REVERSE FOR CERTAIN STATEMENTS, RESTRICTIONS AND DEFINITIONS

THIS CERTIFIES THAT is the owner of FULLY PAID AND NON-ASSESSABLE SHARES OF $1.50 CONVERTIBLE PREFERRED STOCK, PAR VALUE $1.00 PER SHARE, OF NOBLE DRILLING CORPORATION transferable on the books of the Corporation by the holder hereof, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed or accompanied by a proper assignment. This Certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Certificate of Incorporation and the Bylaws of the Corporation, and all amendments thereto, copies of which are on file at the principal office of the Corporation, to all of which the holder of this Certificate by acceptance hereof assents. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the Corporation has caused the signatures of its duly authorized officers and its facsimile seal to be hereunto affixed.

DATED:

/s/ JAMES C. DAY
CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
LIBERTY BANK AND TRUST
COMPANY OF OKLAHOMA
CITY, N.A.

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[NOBLE CORPORATE SEAL] TRANSFER AGENT AND REGISTRAR

/s/ JULIE J. ROBERTSON
SECRETARY

AUTHORIZED SIGNATURE

[NOBLE LOGO]

NOBLE DRILLING CORPORATION

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF OF THE CORPORATION, AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN ARTICLE XI OF THE CORPORATION'S CERTIFICATE OF INCORPORATION. THE PURPOSE OF SAID ARTICLE XI IS TO LIMIT THE OWNERSHIP AND CONTROL OF SHARES OF ANY CLASS OF STOCK OF THE CORPORATION BY ALIENS (AS DEFINED) IN ORDER TO PERMIT THE CORPORATION TO BE A U.S. MARITIME COMPANY (AS DEFINED). THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS A COPY OF SAID ARTICLE XI.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT -- _____ Custodian _________
(Cust) (Minor)
under Uniform Gifts to Minors Act _____________
(State)

Additional abbreviations may also be used though not in the above list.

For value received, ____________________________________ hereby sell, assign and transfer unto
PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

[Box]____

____
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

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____
Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint____

____
Attorney to transfer the said Shares on the books of the within-named Corporation with full power of substitution in the premises.

Dated, __________________

____
NOTICE: The signature to this Assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

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CREDIT AGREEMENT

by and among

FIRST INTERSTATE BANK OF TEXAS, N. A.,
AS AGENT,

CERTAIN BANKS

and

NOBLE DRILLING CORPORATION

Dated as of June 16, 1994

TABLE OF CONTENTS

<TABLE>
<CAPTION>

<S>	<C>	<C>	Page <C>
ARTICLE I -- DEFINITIONS			1
	1.01	Certain Definitions	1
	1.02	Accounting Terms and Definitions	29
ARTICLE II -- CREDIT FACILITIES			29
	2.01	Extensions of Credit	29
	2.02	Extensions of Maturity	30
	2.03	Manner of Borrowing	31
	2.04	Conversions and Continuations	33
	2.05	Use of Proceeds of Advances	34
	2.06	Fees	34
	2.07	Reduction or Termination of Revolving Credit Commitment	35
	2.08	Letters of Credit	35
	2.09	Notice and Manner of Obtaining Letters of Credit	36
	2.10	Obligation to Reimburse and to Prepay	37
	2.11	Method of Payment	38
	2.12	Prepayment; Compensation	38
	2.13	Computation of Interest	39
	2.14	Increased Costs; Regulation	39
	2.15	Limitation on Types of Advances	41
	2.16	Substitute Base Rate Advances	42
	2.17	The Facilities	42
ARTICLE III -- REPRESENTATIONS AND WARRANTIES			43
	3.01	Legal Existence	43
	3.02	Corporate Power and Authority to Execute Documents	43
	3.03	Direct Benefit From Loans	44
	3.04	Valid, Binding, Enforceable Obligations	44
	3.05	No Violation of Charter, By-Laws or Agreements	44
	3.06	No Violation of Laws, Rules or Orders	44
	3.07	Loan Documents Do Not Violate Other Documents	45
	3.08	Board of Directors Authorization	45
	3.09	Financial Statements	45
	3.10	No Undisclosed Liabilities	45
	3.11	Tax Returns and Payments	46
	3.12	ERISA	46
	3.13	Environmental Laws	46
	3.14	Subsidiaries	47
	3.15	Not a Secured Purpose Credit	47
	3.16	Investments and Obligations	47
	3.17	Consents Not Required	47
	3.18	Litigation Pending	47

</TABLE>

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Please Consider the Environment Before Printing This Document

<TABLE>
<CAPTION>

			Page
<S>	<C>	<C>	<C>
	3.19	Material Fact Representations	48
	3.20	Borrower's Status	48
ARTICLE IV -- AFFIRMATIVE COVENANTS			48
	4.01	Reporting Obligations	48
	4.02	Payment of Taxes and Claims	51
	4.03	Maintenance of Existence, Property and Records	51
	4.04	Compliance With Laws	52
	4.05	Cure of Defects in Loan Documents	52
	4.06	Payment of Expenses	53
	4.07	Inspection of Books, Property and Affairs	53
	4.08	Insurance	53
	4.09	Payment of Fees	54
	4.10	Cash Management	54
	4.11	Guarantees and Notes	54
ARTICLE V -- NEGATIVE COVENANTS			54
	5.01	Limitations on Funded Debt	55
	5.02	Limitations on Liens	55
	5.03	Restricted Payments	55
	5.04	ERISA Limits	55
	5.05	Coverage Ratios	56
	5.06	Tangible Net Worth	56
	5.07	Leverage	56
	5.08	Limitations on Investments	56
	5.09	Subsidiary Stock Issuances, Charter Documents and Business Termination	56
	5.10	Mergers and Acquisitions	57
	5.11	Changes in Accounting Methods	57
	5.12	Changes in Business or Assets	57
	5.13	Discounting of Receivables	58
	5.14	Transactions with Affiliates	58
	5.15	Limitation on Subsidiary Indebtedness and Preferred Stock	58
	5.16	Loan Proceeds	59
	5.17	Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries	59
	5.18	Limitation on Asset Sales	60
	5.19	Limitation on Sale and Lease-Back Transactions	60
ARTICLE VI -- DEFAULTS AND REMEDIES			60
	6.01	Events of Default	60
	6.02	Cash Collateral Account	64
	6.03	Additional Cross Default Provisions	64

</TABLE>

<TABLE>
<CAPTION>

			Page
<S>	<C>	<C>	<C>
ARTICLE VII -- TERMINATION OF LOANS			65
ARTICLE VIII -- CONDITIONS PRECEDENT			65
	8.01	Conditions Precedent to Initial Loan	65
	8.02	Conditions Precedent to Each Loan	67
ARTICLE IX -- THE AGENT			67
	9.01	Authorization and Action	67
	9.02	Agent's Reliance, Etc	69
	9.03	First Interstate Bank and Affiliates	69
	9.04	Lender Credit Decision	69
	9.05	Indemnification by Lenders	70
	9.06	Successor Agent	70
ARTICLE X -- MISCELLANEOUS			71
	10.01	No Waivers Except by Writing; Governing Law	71

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Please Consider the Environment Before Printing This Document

10.02	Usury Laws	72
10.03	Notice	73
10.04	Waivers of Certain Rights	73
10.05	Severability of Provisions	75
10.06	Survival of Representations and Warranties; Unsatisfied Conditions	75
10.07	Assignments	75
10.08	Gender and Usage	77
10.09	Multiple Counterparts	77
10.10	Notices Received by Lender	77
10.11	Debtor-Creditor Relationship	77
10.12	Agreement Controlling	77
10.13	Integration	77
10.14	WAIVER OF JURY TRIAL	78
10.15	Headings	78
10.16	Submission to Jurisdiction	78
10.17	Additional Liens	79
10.18	Bank Representations	79
10.19	Indemnification	80
</TABLE>

Schedule 1 - Liens on Property of the Borrower or its Subsidiaries
Schedule 3.10 - Liabilities
Schedule 3.12 - ERISA Matters
Schedule 3.14 - List of Subsidiaries
Schedule 5.17 - Restrictions on Intercompany Transfers

Exhibit A - Revolving Note
Exhibit B - Applications for Letters of Credit
Exhibit C - Assignment and Acceptance

Exhibit D - Guaranty Agreement
Exhibit E - Intercompany Revolving Note
Exhibit F - Loan Formula Certificate
Exhibit G - Loan Request Form
Exhibit H - Quarterly Compliance Certificate

CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated and effective as of June 16, 1994 (together with any and all amendments and supplements hereto and/or restatements and modifications hereof, collectively referred to hereinafter as the "Agreement"), by and among FIRST INTERSTATE BANK OF TEXAS, N. A., a national banking association in its individual capacity and as agent for the Banks (as hereinafter defined), each of the Banks party hereto listed on the signature pages of this Agreement, and NOBLE DRILLING CORPORATION, a Delaware corporation (the "Borrower").

W I T N E S S E T H:

WHEREAS, each of the Borrower and its Subsidiaries have requested the Banks to make certain loans to the Borrower for the purposes stated herein, which loans are for the benefit of the Borrower and its Subsidiaries;

WHEREAS, each of the Subsidiaries will benefit from the credit facilities made available hereunder, and will have substantially improved growth prospects because of such facilities; and

WHEREAS, the Banks are willing to make such loans as herein provided, upon the terms, agreements and covenants and subject to the conditions hereinafter set forth and in reliance on the representations and warranties herein made and referred to;

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NOW THEREFORE, to induce the Banks to make available the credit facilities herein described and referenced, and for and in consideration of the premises, covenants and agreements herein contained, in reliance on the representations and warranties herein made, and for other good and valuable considerations and reasonably equivalent value, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Agent, the Banks and the Borrower agree as follows:

ARTICLE I -- DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the respective meanings indicated below:

"Adjusted Eurodollar Rate" means, for any Eurodollar Advance during any Interest Period therefor the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Agent to be equal to the Eurodollar Rate for such Eurodollar Advance for such Interest Period divided by one minus the Reserve Requirement for such Eurodollar Advance in effect on the first day of such Interest Period. The Adjusted Eurodollar Rate shall be computed on the basis of an actual number of days elapsed in a year consisting of 360 days.

7

"Advance" means any advance of funds by the Banks to the Borrower pursuant to this Agreement, and after each initial advance thereof, any portion thereof remaining outstanding and unpaid; and each advance of funds by the Banks to the Borrower for a particular selected Interest Period (except for such Advances for which an Interest Period need not be specified), shall constitute one "Advance" for purposes of determining the number of "Advances" outstanding hereunder.

"Affiliate" means any Person controlling, controlled by or under common control with any other Person. For purposes of this definition "control" (including "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise. Without limiting the generality of the foregoing, for purposes of this Agreement the Borrower and each of its Subsidiaries shall be deemed to be Affiliates of each other.

"Agent" means First Interstate Bank of Texas, National Association, in its capacity as agent for the Banks pursuant to Article IX hereof, and not in its individual capacity as a Bank, and any successor Agent appointed pursuant to Article IX hereof.

"Agent Fee" means the fee payable to First Interstate, provided in that certain letter from the Borrower to First Interstate dated April 5, 1994.

"Agreement" shall have the meaning assigned to that term in the introduction hereto, and "Agreement", "hereof", "hereto" and "hereunder" and words of similar import mean this Agreement as a whole, and not any particular article, section or subsection.

"Applicable Law" means the law in effect from time to time and applicable to the transactions between the Banks and the Borrower (and, to the extent applicable, the Significant Subsidiaries) pursuant to this Agreement, the Notes and the other Loan Documents which lawfully permits the charging and collection of the highest permissible lawful nonusurious rate of interest on such transactions, including laws of the State of Texas, and to the extent controlling, laws of the United States of America. It is intended that Article 1.04, Title 79, Revised Civil Statutes of Texas, 1925, as amended, shall be included in the laws of the State of Texas in determining Applicable Law; and for the purpose of applying said Article 1.04, the interest ceiling applicable to such transactions under said Article 1.04 shall be the indicated (weekly) rate ceiling from time to time in effect.

"Applicable Lending Office" means for each of the Banks, (i) for each Type of Advance, the lending office designated for such Type of Advance below each such Bank's name on the signature pages hereof or such other office of each such Bank as each such Bank may from time to time specify to the Borrower as the office by which its Advances of such Type are to be made and maintained.

"Applicable Margin" means, for any Advance and on any day, and effective as of the first day upon which the Agent shall have received the financial statements and other information required to be delivered to the Agent in Sections 4.01(a) and (c) hereof ("Current Information"),

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and continuing in effect until new Current Information is received by Agent, the sum of (i) the Operating Loss Increment, plus (ii) the per annum rate provided in the intersection, in the following table, of (a) the Special Purpose Fixed Charge Coverage Ratio for the four Quarterly Reporting Periods, for which Current Information is available at the date of calculation of Applicable Margin, immediately preceding the date of calculation of the Applicable Margin and (b) the Type of Advance for which the Applicable Margin is to be calculated:

Special Purpose Fixed Charge Charge Coverage Ratio	For a Eurodollar Advance	For a Base Rate Advance
(a) At least 1.51	1.50% per annum	0% per annum
(b) At least 1.26 but less than 1.51	1.75% per annum	0% per annum
(c) Less than 1.26	2.0% per annum	.25% per annum

; provided, that the Applicable Margin shall be fixed at 1.5% for Eurodollar Advances, and shall be zero for Base Rate Advances, through December 31, 1994.

"Applicable Rate" means, during the period that (i) an Advance is a Eurodollar Advance, the Adjusted Eurodollar Rate, and (ii) an advance is a Base Rate Advance, the Base Rate.

"Application" means the Application for an Irrevocable Standby Letter of Credit, or the Application and Agreement for Commercial Letter of Credit, as applicable, in form and substance substantially similar to that which is attached hereto as Exhibit B, with the blanks therein properly and accurately completed.

"Asset Sale" means any direct or indirect sale, conveyance, transfer, lease or other disposition (including, without limitation, by means of a Sale and Lease-Back Transaction or by way of merger or consolidation) by the Borrower or any Subsidiary to any Person other than the Borrower or a Subsidiary, in one transaction, or a series of related transactions, of (i) any capital stock of any Subsidiary, or (ii) any other Property or assets of the Borrower or any Subsidiary, other than (A) sales of inventory of the Borrower and the subsidiaries in the ordinary course of their business consistent with past practices, (B) sales of obsolete or worn out equipment in the ordinary course of business, (C) sales of directors' qualifying shares in a Subsidiary, (D) any charter (bare-boat or otherwise) or other lease of Property entered into by the Borrower or any Subsidiary in the ordinary course of business, other than any charter or lease that provides for acquisition of such Property by the charterer or lessee during or at the end of the term thereof, (E) the issuance by the Borrower of its capital stock, (F) sales in the ordinary course of business of drill pipe and associated equipment utilized in connection with a drilling contract for the employment of a drilling rig, (G) a Restricted Payment permitted by Section 5.03 hereof and (H) sales of the Grasso Consideration (as defined in the Grasso Agreement) and any securities or property acquired upon the exercise of the options or warrants included as a part of the Grasso Consideration. An Asset Sale shall include the requisition of title to, seizure of or forfeiture of any Property or assets, or any actual or constructive total loss or an agreed or compromised total loss of any Property or assets.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by any of the Banks and an Eligible Assignee, and accepted by Agent in a form of Exhibit C.

"Authorized Representative" means the president or any vice president or any senior or executive vice president with respect to the Borrower or any Subsidiary thereof, as applicable.

"Average Life" means, as of any date, with respect to any debt security, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from such date to the date of each scheduled principal payment (including any sinking fund or mandatory redemption payment requirements) of such debt security multiplied in each case by (y) the amount of such principal payments by (ii) the sum of all such principal payments.

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"Banks" means each of the lenders listed on the signature pages of this Agreement, and each assignee thereof which becomes a party to this Agreement pursuant to Section 10.07 hereof.

"Base Rate" means, at the time any determination thereof is to be made, the greater of (a) the fluctuating per annum rate of interest then most recently announced by Agent in Houston, Texas as its prime rate, and (b) the sum of the Federal Funds Rate plus .5% per annum. The prime rate is a rate set by Agent based upon various factors, including Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans. Agent may price loans at, above or below the prime rate. Any change in the prime rate shall take effect hereunder as of and on the opening of business on the date specified in the announcement of such change. A certificate in writing by any vice president of Agent as to the prime rate as of any date or dates shall be prima facie evidence of such fact.

"Base Rate Advance" means any Advance that bears interest at a rate based upon the Base Rate. Changes in the rate of interest on Base Rate Advances will take effect simultaneously with each change in the Base Rate.

"Borrower" shall have the meaning assigned to that term in the introduction to this Agreement.

"Borrowing Base" means, as of any time the determination thereof is to be made, an amount equal to 75% of Eligible Accounts.

"Borrowing Date" means a date upon which a Revolving Loan is to be made pursuant to Section 2.03 hereof as established by the Loan Request Form.

"Business Day" means (i) any day on which commercial banks are not authorized or required to close in either Houston, Texas, or New York, New York and (ii) with respect to all borrowings, payments, conversions, continuations, Interest Periods, and notices in connection with Eurodollar Advances, any day which is a Business Day described in clause (i) above which is also a day in which dealings in Dollar deposits are carried out by the Applicable Lending Office in the interbank eurodollar market where the eurodollar operations of such Applicable Lending Office are customarily conducted.

"Capital" means the sum of (i) Consolidated Funded Debt of Borrower plus (ii) the Tangible Net Worth of Borrower, determined in accordance with GAAP.

"Capital Expenditure" means any payment made or obligation incurred by Borrower or any of its Subsidiaries in respect of the purchase, capital lease or other acquisition of assets other than current assets including any expenditure that would be classified as a "capital expenditure" in accordance with GAAP. For purposes of this definition, a "Capital Expenditure" shall be deemed to have occurred in an amount equal to the aggregate of all payments to come due over the full term of a capital lease at the time that Borrower or any of its Subsidiaries enters into such capital lease.

"Capital Lease Obligation" means, at any time as to any Person with respect to any Property leased by such Person as lessee, the amount of the liability with respect to such lease that would be required at such time to be capitalized and accounted for as a capital lease on the balance sheet of such Person prepared in accordance with GAAP.

"Cash Proceeds" means, with respect to any Asset Sale by any Person, the aggregate consideration received for such Asset Sale by such Person in the form of cash or cash equivalents (including any amounts of insurance or other proceeds received in connection with an Asset Sale of the type described in the last sentence of the definition thereof), including payments in respect of deferred payment obligations when received in the form of cash or cash equivalents (except to the extent that such obligations are financed or sold with recourse to such Person or any subsidiary thereof). For purposes of this definition, "cash or cash equivalents" shall be deemed to include, for a period not to exceed 12 months from the related Asset Sale, noncash consideration received with respect to an Asset Sale to the extent that such noncash consideration consists of publicly traded debt securities of a Person, which securities are rated at least "BBB-" by S&P and at least "Baa3" by Moody's or having a comparable rating from the successors of each of such rating agencies.

"Change of Control" shall be deemed to have occurred at such time as (i) a "person" or "group" within the meaning of Sections 13(d) or 14(d)(2) of

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the Securities Exchange Act of 1934, as amended (the "1934 Act"), other than the Borrower becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act) of more than 20% of the Voting Stock of the Borrower, or (ii) a person enters into an agreement with the Borrower to purchase, lease, or otherwise acquire, all or substantially all of the assets of the Borrower or (iii) during any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Borrower's Board of Directors (and any new director, whose election by the Borrower's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority thereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Account" shall have the meaning given to such term in Section 6.02 hereof.

"Commitment" means, with respect to each of the Banks, the obligation of such Bank to make Loans to the Borrower and to participate in the issuance of Letters of Credit under Article II hereof, up to the maximum amounts therein stated.

"Commitment Fee" shall have the meaning given to such term in Section 2.06 hereof.

"Consolidated" shall mean, with reference to any item, such item of the Borrower and its Subsidiaries, consolidated in accordance with GAAP.

"Consolidated Cash Operating Income" means, for any period, total operating income of Borrower and its Consolidated Subsidiaries for such period, determined in accordance with GAAP, plus all noncash expenses for such period for such Persons.

"Consolidated Current Liabilities" of any Person means, as of any date, the total liabilities (including tax and other proper accruals) of such Person and its subsidiaries on a consolidated basis at such date which may properly be classified as current liabilities in accordance with GAAP.

"Consolidated EBITDA" means, without duplication, for the period of four fiscal quarters ended immediately prior to the date of calculation of Consolidated EBITDA, for the Borrower and the Borrower's Consolidated Subsidiaries, the sum of the amount for such period of four fiscal quarters of (i) Consolidated Net Income, plus (ii) depreciation and amortization and other noncash expenses, including without limitation deferred tax expense, of the Borrower and the Consolidated Subsidiaries on a consolidated basis, plus (iii) Consolidated Interest Expense, minus (iv) any non-cash income included in Consolidated Net Income.

"Consolidated Fixed Charges" means, without duplication, as of the date of calculation thereof, the amounts of (i) Consolidated Interest Expense for the preceding four fiscal quarters, plus (ii) current scheduled maturities of principal on Indebtedness (including the principal component of capitalized leases) owed by the Borrower and its Consolidated Subsidiaries for the four fiscal quarters immediately preceding the date of calculation of Consolidated Fixed Charges, plus (iii) all dividends on Preferred Stock of Borrower which dividends Borrower is obligated to pay (and an obligation to pay Preferred Stock dividends shall be deemed to exist whether or not such dividends are cumulative) by the terms of such Preferred Stock for the four fiscal quarters immediately preceding the date of calculation of Consolidated Fixed Charges.

"Consolidated Funded Debt" means Funded Debt of Borrower and its Subsidiaries determined on a Consolidated basis.

"Consolidated Interest Expense" means, for any period(s), for the Borrower and its Consolidated Subsidiaries, the sum of all interest in respect of Indebtedness accrued or capitalized during such period (whether or not actually paid during such period).

"Consolidated Net Income" means, for any period, all consolidated gross revenues and other proper income credits of the Borrower and the Consolidated Subsidiaries for such period, less all operating and non-operating expenses and other proper income charges of the Borrower

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and the Consolidated Subsidiaries (including interest charges and taxes on income) for such period; provided however, there shall not be included in such revenues (i) any income representing the excess of equity in any Subsidiary at the date of acquisition over the investment in such Subsidiary, (ii) any equity in the undistributed earnings of any Person which is not a Consolidated Subsidiary, (iii) any earnings of any Subsidiary for any period prior to the date such Subsidiary was acquired, (iv) any gains resulting from the write-up, appraisal or revaluation of assets after December 31, 1993, (v) any amounts received in respect of services not then yet performed, (vi) any gains or losses on the sale or other disposition of investments or fixed or capital assets, and any taxes on such excluded gains and any deductions or credits on account of any such excluded losses, (vii) the proceeds of any life insurance policy on the life of any officer, director or employee of Borrower or its Affiliates, and (viii) any other gain which is classified as "extraordinary" in accordance with GAAP.

"Consolidated Net Tangible Assets" of any Person means, as of any date, Consolidated Tangible Assets of such Person at such date, after deducting therefrom (without duplication of deductions) all Consolidated Current Liabilities of such Person at such date.

"Consolidated Subsidiaries" means, when used in connection with the Borrower or any of its Subsidiaries, any corporation or other Person the accounts and financial information of which is at the time included in the Consolidated financial statements of the Borrower or such Subsidiary prepared in accordance with GAAP.

"Consolidated Tangible Assets" of any Person means, as of any date, the sum of the Property of such Person and its subsidiaries on a consolidated basis at such date, after eliminating intercompany items, and after deducting from such total, without duplication, (i) all Property that would be classified as intangibles under GAAP (including, without limitation, goodwill, organizational expenses, trademarks, trade names, copyrights, patents, licenses and any rights in any thereof), and (ii) any prepaid expenses, deferred charges and unamortized debt discount and expense, each such item determined in accordance with GAAP.

"Contingent Liabilities" means any and all guaranties, indemnifications, endorsements, support letters, contingent agreements, make whole agreements, investment or loan commitments, and other contingent obligations in respect of, or any obligations to purchase or otherwise acquire, Indebtedness or obligations of others.

"Controlled Group" means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control which, together with Borrower, are treated as a single employer under Section 41(b) of the Code or Section 4001 of ERISA.

"Credit Maturity Date" means 12:00 noon Houston, Texas time on June 9, 1996, or such earlier date and time on which the obligation of Banks to make Loans and provide Letters of Credit hereunder is terminated and all Obligations are immediately due and payable by Borrower, or such later date as may result from the extension of the Credit Maturity Date as set forth in Section 2.02 hereof, or as may be otherwise agreed in writing by Borrower and Banks.

"Currency Hedge Obligations" means, at any time as to any Person, the obligations of such Person at such time which were incurred in the ordinary course of business pursuant to any foreign currency exchange agreement, option or future contract or other similar agreement or arrangement designed to protect against or manage such Person's or any of its subsidiaries' exposure to fluctuations in foreign currency exchange rates.

"Current Assets" of any Person means, as of any date, the total assets of such Person and its subsidiaries on a consolidated basis at such date which may properly be classified as current assets in accordance with GAAP.

"Debt to Capital Ratio" means the ratio of Consolidated Funded Debt (determined in accordance with GAAP), of the Borrower, to Capital.

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"Default Rate" means at any time a per annum rate of interest equal to 3% plus the Base Rate, but in no event to exceed the Maximum Rate.

"Determining Lenders" means any combination of Banks having at least 66 2/3% of the aggregate principal amount of outstanding Advances and Letter of Credit Liabilities hereunder or, if no Advances or Letters of Credit are outstanding at the time of determination thereof, such term means any combination of Banks having Specified Percentages equal to at least 66 2/3%.

"Dollars" or "$" means lawful currency of the United States of America.

"Eligible Accounts" means, as of any date the determination thereof is to be made by Agent, without duplication, the sum of the accounts (as such term is defined in the UCC) owed to Borrower or the Significant Subsidiaries (other than Non-Recourse Subsidiaries) by Eligible Account Debtors which meet each of the following requirements as of the time any determination thereof is to be made: (i) such accounts arose from an enforceable order or contract, written or oral, for the absolute sale or lease of inventory of Borrower or its Consolidated Subsidiaries which has been shipped to an Eligible Account Debtor and not returned, rejected, lost or damaged or for the rendering of services by Borrower or its Consolidated Subsidiaries, which has been fully and satisfactorily performed, each in the ordinary course of business of Borrower or its Consolidated Subsidiaries; (ii) the amounts shown on the books of Borrower or its Consolidated Subsidiaries at such time in respect of such accounts are the actual amounts owed by the applicable Eligible Account Debtor in respect of such account; (iii) the rights of Borrower or its Consolidated Subsidiaries in and to such accounts and the proceeds thereof are not subject to any prior assignment or any other lien, claim or encumbrance, or any set-off or other encumbrance; (iv) such accounts are not evidenced by any promissory note, trade acceptance, draft or other instruments; (v) such account shall be due and payable not more than 90 days from the date of the invoice of same and shall be billed within five days after the shipment of the goods or performance of the services giving rise to such account have been made; provided however, that accounts due and payable within 120 days from the date of invoice of same, and promptly billed (in accordance with the foregoing) to The Shell Petroleum Development Company of Nigeria Limited and payable in Dollars (not in Nigerian Naira) shall constitute an Eligible Account for purposes of this clause (v); (vi) such accounts comply with all applicable legal requirements, including, where applicable, the Federal

Consumer Act (as the same may be amended or supplemented from time to time); (vii) such account is not otherwise in default or dispute; (viii) such account is not included in the borrowing base under, or as a basis for financing under, another credit facility besides this Agreement; (ix) the sum of all accounts owed to Borrower or its Consolidated Subsidiaries by the same Eligible Account Debtor does not exceed 15% of the total Eligible Accounts, and if such excess exists, then the amount of such excess shall not constitute an Eligible Account, (x) such account is owed in Dollars, except for accounts owed in British Pounds Sterling or Canadian Dollars; (xi) if such accounts are owed to a Significant Subsidiary, such Significant Subsidiary has either (a) executed the Guaranty or (b) in the case of Foreign Subsidiaries which are Significant Subsidiaries, executed an Intercompany Revolving Credit Note which has been delivered to the Agent and pledged thereto pursuant to the Security Agreement, and (xii) such accounts shall be, in the reasonable business judgment of the Agent, otherwise acceptable to the Agent.

"Eligible Account Debtor" means, as of any time the determination thereof is to be made by the Agent, a Person that meets all of the following requirements: (i) said Person is not an Affiliate of the Borrower or its Consolidated Subsidiaries; (ii) none of the following events shall have occurred with respect to said Person: a proceeding shall have been filed seeking dissolution, termination of existence, insolvency, business failure or appointment of a receiver for all or any part of the property of, or assignment for the benefit of creditors by, said Person, or the filing of a petition in bankruptcy or the commencement of any proceeding under any bankruptcy or insolvency laws by or against said Person; (iii) no more than 25% of the total amount, expressed in the currency in which such account is payable, of said Person's open account indebtedness to the Borrower and its Affiliates taken as a whole, arises pursuant to an invoice or invoices of the Borrower or any of its Affiliates, is otherwise more than 90 days past due; except that in the case of accounts for which The Shell Petroleum Development Company of Nigeria Limited is the account debtor and owes its obligation in Dollars, no more than 25% of the total Dollar amount of such Person's open account indebtedness is more that 150 days past due; (iv) said Person does business in or has a substantial investment in assets located in the United States of America, except for (A) account debtors who would satisfy such criteria with respect to

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Canada or the United Kingdom, or (B) account debtors, for whom services were rendered or to which goods were sold outside of the United States, Canada or the United Kingdom, which on their own or by way of an Affiliate maintain a senior debt credit rating by S&P of BBB- or better or (C) state owned oil companies; (v) said Person is not a domestic, federal, state, provincial, county, city or municipal government or political subdivision, and (vi) said Person shall be, in the reasonable business judgment of the Agent, otherwise acceptable to the Agent.

"Eligible Assignee" means any financial institution, commercial bank or U.S. agency or affiliate of any bank.

"Environmental Laws" means any and all laws, statutes, ordinances, rules, regulations, orders, requirements or determinations of any Governmental Authority pertaining to health or the environment in effect in any and all jurisdictions in which any of the Borrower or any of its Subsidiaries is conducting or at any time has conducted business, or where any Property of any

of the Borrower or its Subsidiaries is located or where any hazardous substances generated by or disposed of by any of Borrower of any of its Subsidiaries are located.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, together with regulations thereunder, and any successor statute of similar import.

"ERISA Affiliate" means any Person that for purposes of Title IV of ERISA is a member of a Controlled Group of Borrower, within the meaning of Section 414(c) of the Code and the regulations and rulings thereunder.

"ERISA Event" means (a) a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC, (b) the issuance by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA), (c) the cessation of operations at a facility in the circumstances described in Section 4068(f) of ERISA, (d) the withdrawal by Borrower, any Subsidiary of Borrower, or any ERISA Affiliate from a Multiple Employer Plan during a Plan year for which it was a substantial employer, as defined in Section 400(a)(2) of ERISA, (e) the failure by Borrower, any Subsidiary of Borrower, or any ERISA Affiliate to make a payment to a plan required under Section 302 of ERISA, (f) the adoption of an amendment to a plan requiring the provision of security to such plan, pursuant to Section 307 of ERISA, or (g) the institution by the PBGC of proceedings to terminate a plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a plan.

"Eurodollar Advance" means any Advance that bears interest at a rate based upon the Adjusted Eurodollar Rate.

"Eurodollar Rate" shall mean, with respect to any Interest Period or portion thereof, the rate per annum (rounded upwards, if necessary, to the nearest 1/16th of 1%) shown on page 3750 of the Dow Jones & Company Telerate screen or any successor page as the composite offered rate for London interbank deposits with a period equal to such Interest Period (or portion thereof), as shown under the heading "USD" as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period; provided that if no such rate appears, the rate shall be the rate per annum based on the rates at which Dollar deposits with a period equal to such Interest Period (or portion thereof) are displayed on page "LIBO" of the Reuters Monitor Money Rates Service or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period; it being understood that if at least two such rates appear on such page, the rate will be the arithmetic mean of such displayed rates; provided that if fewer than two such rates are displayed, the rate shall be the rate per annum equal to the average of the rates at which deposits in dollars are offered to the Agent at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market in an amount approximately equal to the amount of the Eurodollar Advance with a period equal to such Interest Period (or portion thereof); it being understood that if at least two such quotations are provided, the rate shall be

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the arithmetic mean of such provided rates; and provided further that if fewer than two such rates are provided, the rate shall be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Agent, at approximately 11:00 a.m. (New York City time) on the first day of such Interest Period to leading European banks in an amount approximately equal to the amount of the Eurodollar Advance with a period equal to such Interest Period (or portion thereof).

"Event of Default" means any of the events specified in Section 6.01 hereof which has occurred and is continuing, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events, whether or not any such requirement has been satisfied.

"Excess Cash on Hand" means, at any date of determination of Special Purpose Fixed Charges, the excess, if any (and such excess shall be deemed to be zero if it would otherwise be a negative number), obtained by subtracting (i) $25,000,000 from (ii) the sum, based on the most recent Consolidated balance sheet of Borrower and its Subsidiaries delivered pursuant to Section 4.01 hereof, of (A) cash and (B) cash equivalents determined in accordance with GAAP, and (C) Permitted Investments in marketable securities determined in accordance with GAAP, provided that amounts included under the foregoing clauses (A), (B) or (C) must be subject to withdrawal, sale or liquidation, as applicable, without penalty, limitation or restriction.

"Excess Proceeds" means that amount of Net Available Proceeds not applied to the acquisition of Replacement Assets.

"Facility Fee" means the fee payable by the Borrower to First Interstate as described in Section 2.06(c) hereof.

"Fair Market Value" means, with respect to the total consideration received pursuant to any Asset Sale or by any Person as contemplated by Section 5.18 hereof or any noncash consideration received by any Person, the fair market value of such consideration as determined in good faith by the board of directors of the Borrower.

"Fair Value" means, with respect to any asset or Property, the price which could be negotiated in an arms-length free market transaction, for cash, between a willing seller and a willing buying, neither of whom is under undue pressure or compulsion to complete the transaction.

"Federal Funds Rate" means for any period, a fluctuating interest rate "per annum" equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three federal funds brokers of recognized standing selected by it.

"Financial Statements" means the copies delivered to the Agent of the consolidated balance sheets of the Borrower as of December 31, 1993, and March 31, 1994, and the related consolidated statement of income and retained earnings and cash flows of the Borrower for the period stated therein.

"First Interstate" means First Interstate Bank of Texas, N.A. in its individual capacity, and its successors and assigns.

"Fixed Charge Coverage Ratio" means, as of the last day of any fiscal quarter of the Borrower, the ratio of (i) Consolidated EBITDA of the Borrower to (ii) Consolidated Fixed Charges of the Borrower.

"Foreign Subsidiary" means a Subsidiary of the Borrower incorporated under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"Funded Debt" means for any Person (without duplication): (i) all

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indebtedness for the repayment of borrowed money, whether or nor represented by bonds, debentures, notes, securities, bankers' acceptances or other evidences of indebtedness, regardless of whether such indebtedness would be classified in accordance with GAAP as a current liability or long-term debt, and (ii) all reimbursement and repayment obligations then due in respect of a drawing of a letter of credit, or guaranty, surety, indemnity, reimbursement or other similar obligations then due.

"GAAP" means United States generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants or in statements of the Financial Accounting Standards Board or their successors which are applicable in the circumstances as of the date of determination of any item; and the requirement that such principles be applied on a "consistent basis" shall mean that the accounting principles observed in a current period be comparable in all material respects to those applied in a preceding period.

"Governmental Authority" means any domestic or foreign federal, state, province, county, city, municipality or political subdivision in which any of the Borrower or any of its Subsidiaries, is located or which exercises jurisdiction over any Property of the Borrower or any of its Subsidiaries, and any agency, department, commission, board, tribunal, court, bureau or instrumentality of any of them which exercises or has jurisdiction over any such Property.

"Governmental Requirement" means (without duplication) any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement (including, without limitation, Environmental Laws, energy regulations and occupational, safety and health standards or controls) of any Governmental Authority.

"Grasso Agreement" means the Exchange Agreement dated as of June 4, 1993, by and among the Borrower, Offshore Logistics, Inc., Grasso Corporation, PP1-Seahawk Services, Inc. and Noble Production Services, Inc.

"Guaranty" means that certain guaranty agreement entered into, dated, executed and delivered by each of the Significant Subsidiaries other than (i) Triton and (ii) a Foreign Subsidiary as of the date of this Agreement, in substantially the form of Exhibit D attached hereto, and all guaranties in substantially similar form executed subsequent to the date hereof pursuant to Section 4.11.

"Hazardous Materials" means all materials subject to any Environmental Law, including without limitation materials listed in 49 CFR Section 172.101, Hazardous Substances, explosive or radioactive materials, hazardous or toxic wastes or substances, petroleum or petroleum distillates, asbestos, or material containing asbestos.

"Hazardous Substances" means "hazardous waste" as defined in the Clean Water Act, as amended, 33 U.S.C. Section 1251 et seq., the Comprehensive Environmental Response Compensation and Liability Act, as amended (including the Superfund Amendments and Reauthorization Act), 41 U.S.C. Section 9601 et seq., the Resource Conservation Recovery Act, 42 U.S.C. Section 6901 et seq., as amended, and the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.

"Indebtedness" means and includes, without duplication, (1) all items which in accordance with GAAP, consistently applied, would be included on the liability side of a balance sheet on the date as of which Indebtedness is to be determined (excluding capital stock, surplus and surplus reserves, retained earnings, minority interests and deferred liabilities), including, without limiting the generality of the foregoing and without duplication, Funded Debt, (2) Contingent Liabilities, and (3) indebtedness secured by any mortgage, pledge, security interest or lien existing on any interest of the Person with respect to which Indebtedness is being determined in property owned subject to such mortgage, pledge, security interest or lien whether or not the indebtedness secured thereby shall have been assumed.

"Insolvent" means, with respect to any Person, that (i) the fair saleable value of the assets of such Person does not exceed the amount that would be required to be paid on or in respect to the existing debts and other liabilities (including, without limitation, pending or overtly threatened litigation in amounts in excess of effective insurance coverage and all other contingent liabilities) of such Person as they mature, or (ii) the assets of such Person constitute unreasonably small capital for such Person to carry out

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its business as then being conducted or as proposed to be conducted including the capital needs of such Person, taking into account the particular capital requirements of the business conducted by such Person and projected capital requirements and capital availability thereof, or (iii) the fair saleable value of the assets of such Person is not greater than the total fair value of the liabilities, including contingent, subordinated, absolute, fixed, or matured or unmatured liabilities of such Person.

"Intercompany Revolving Credit Note" means a revolving credit promissory note, made by a Significant Subsidiary that is a Foreign Subsidiary (other than Noble Drilling (Canada)

Ltd.) to the order of Borrower in the original principal amount of $20,000,000 or such lesser amount as is actually outstanding thereunder, evidencing loans made or to be made by Borrower to such Subsidiary, in the form attached hereto as Exhibit E.

"Interest Payment Date" means (i) with respect to each of the Base Rate Advances, the last Business Day of each March, June, September and December, and (ii) with respect to each Eurodollar Advance, the last day of the Interest Period applicable thereto.

"Interest Period" means with respect to any Eurodollar Advance, the period commencing on the date, as applicable, such Advance is made or converted from an Advance of another Type or, in the case of each subsequent, successive Interest Period applicable to a Eurodollar Advance, the last day of the next preceding Interest Period with respect to such Advance, and ending on the numerically corresponding day in the first, second or third calendar month thereafter, as Borrower may select as provided in Section 2.03 hereof, except that each such Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month.

Notwithstanding the foregoing:

(a) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, except that if such succeeding Business Day falls in the next succeeding calendar month, than such Interest Period shall end on the next preceding Business Day;

(b) no Interest Period for any Eurodollar Advance shall have a duration of less than one month, and if the Interest Period for any Eurodollar Advance would otherwise be a shorter period, such Advance shall not be available hereunder; and

(c) no Interest Period may extend beyond the maturity of the Note or the Credit Maturity Date.

"Interest Swap Obligations" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, interest rate cap, collar or floor agreement or other similar agreement or arrangement designed to protect against or manage such Person's or any of its subsidiaries' exposure to fluctuations in interest rates.

"Investment" means any direct or indirect loan, advance, guaranty or other extension of credit or capital contribution to (by means of transfers of cash or other property to others or payments for Property or services for the account or use of others, or otherwise), or purchase or acquisition of capital stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person. The amount of any Investment shall be the original cost of such Investment, plus the cost of all additions thereto, and minus the amount of any portion of such Investment repaid to such person in cash as a repayment of principal or a return of capital, as the case may be, but without any other adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such investment. In determining

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the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at Fair Value at the time of such transfer as determined in good faith by the board of directors (or comparable body) of the Person making such transfer.

"Law" means any constitution, statute, law, ordinance, regulation, rule, order, writ, injunction or decree of any Tribunal.

"Letter of Credit" means a letter of credit (as defined in the UCC) issued by First Interstate at the request of the Borrower, naming a beneficiary (as defined in the UCC) designated by the Borrower, all in accordance with the provisions of Sections 2.08 and 2.09 hereof.

"Letter of Credit Liabilities" means, at any time and in respect of any Letter of Credit, the sum of (a) the undrawn face amount of such Letter of Credit plus (b) the aggregate unpaid amount of all Reimbursement Obligations at the time due and payable in respect of drawings made under such Letter of Credit.

"L/C Facility" means the credit facility provided by the Banks to the Borrower, for the benefit of the Borrower and its Subsidiaries for the issuance of Letters of Credit, all in accordance with Sections 2.08 and 2.09 hereof.

"Lien" means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to a lien, security interest or other interest arising from a mortgage, deed of trust, assignment, encumbrance, pledge, security agreement, conditional sale, trust receipt, lease, consignment, bailment for security purposes, or conditional sale agreement, lease purchase agreement, sale and leaseback arrangement or other similar title retention agreement.

"Litigation" means any proceeding, claim, lawsuit, and/or investigation conducted by or before any Tribunal.

"Loan" means an extension of credit or financial accommodation by way of a loan or Advance hereunder to the Borrower.

"Loan Documents" means this Agreement, the Note, the Loan Formula Certificates, the Guaranty, the Assignments and Acceptances, if any, the Letters of Credit, the Applications, the Security Agreement, and all other promissory notes, drafts, security agreements, reports, opinions, requests for Advances, certificates and other instruments, documents, and agreements now or hereafter executed and delivered pursuant to, or in connection with, this Agreement.

"Loan Formula Certificate" means a duly certified report, in form and substance substantially similar to that which is attached hereto as Exhibit F, with the blanks therein properly and accurately completed, and setting forth the limitations on total Loans and the limitations on Letters of Credit in Article II hereof, such certificate being executed by an Authorized Representative of Borrower.

"Loan Request Form" means a certificate, in substantially the form of Exhibit G hereto, properly completed and signed by the Borrower requesting an Advance attached to which is a Loan Formula Certificate.

"Material Adverse Effect" means, with respect to any Person, a material and adverse effect on (i) the business, financial condition or results of operations of such Person, or (ii) its ability to fulfill, punctually and completely, its obligations under each Loan Document.

"Maximum Rate" means the maximum lawful nonusurious rate of interest (if any) which under Applicable Law the Banks may charge the Borrower on the Loans from time to time. If, however, during any period interest accruing on any Loan is not limited to any maximum lawful non-usurious rate of interest under Applicable Law, then during each such period the "Maximum Rate" shall be equal to a per annum rate of 3% plus the Base Rate from time to time in effect.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which Borrower, any Subsidiary thereof, or any ERISA Affiliate is making or accruing an obligation to make contributions, or

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has within any of the preceding five plan years made or accrued an obligation to make contributions, such plan being maintained pursuant to one or more collective bargaining agreements.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of Borrower, any Subsidiary of Borrower, or any ERISA Affiliate and at least one Person other than Borrower, any Subsidiary of Borrower and any ERISA Affiliate, or (b) was so maintained and in respect of which Borrower, any Subsidiary of Borrower, or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Net Available Proceeds" means, as to any Asset Sale, the Cash Proceeds therefrom (i) minus, without duplication, the sum of (A) reasonable legal and title expenses, commissions and other reasonable fees and expenses incurred, and all Federal, state, provincial, foreign, recording and local taxes payable as a consequence of such Asset Sale, and (B) all payments to any Person other than the Borrower or a Subsidiary on any Indebtedness of the Company or its Subsidiaries which is secured by such assets, in accordance with the terms of any Lien upon or with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale, and (ii) in the case of an Asset Sale by a Subsidiary, multiplied by the percentage of the Voting Stock of such Subsidiary directly or indirectly owned by the Borrower.

"NN-1 Rig Facility" means the outstanding United States Government Ship Financing Bonds, Noble - National 1978 Series of NN-1 Limited Partnership (as successor to Noble - National Joint Venture) issued September 13, 1978.

"Non-Recourse Indebtedness" means any Indebtedness of a Non-Recourse Subsidiary (a) in respect to which neither the Borrower nor any of its Subsidiaries (other than a Non-Recourse

Subsidiary) is liable or obligated in any manner including, without limitation, liabilities or obligations constituting Indebtedness of the Borrower or any of its Subsidiaries (other than a Non-Recourse Subsidiary), and (b) the occurrence of any event or existence of any condition under any agreement or instrument relating to which shall not at any time have the effect of accelerating, or permitting the acceleration of, the maturity of any Indebtedness of the Borrower or of its Subsidiaries (other than a Non-Recourse Subsidiary) or otherwise permitted any such Indebtedness to be declared to be due and payable, or to be required to be prepaid, purchased or redeemed, prior to the stated maturity thereof.

"Non-Recourse Subsidiary" means a Subsidiary that (a) owns only Property acquired by such Subsidiary after October 7, 1993 and (b) has no Indebtedness other than Non-Recourse Indebtedness.

"Notes" mean each Revolving Note made to the order of one of the Banks.

"Obligations" means all obligations, indebtedness, accrued unpaid interest, Letter of Credit Liabilities, fees, expenses, costs, indemnities and liabilities of Borrower to Banks, including without limitation all Loans, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, under, or in connection with, this Agreement and the other Loan Documents.

"Operating Loss Increment" means, for each Quarterly Reporting Period, if two consecutive Quarterly Operating Losses have occurred in the 12 month period that includes such Quarterly Reporting Period ("Combined Operating Losses"), then effective as of the first day after such Quarterly Reporting Period and effective for the next succeeding twelve-month period, an amount equal to .50% per annum; provided, that if additional Quarterly Operating Losses occur in any 12 month period after Combined Operating Losses have occurred, the Operating Loss Increment shall not at any time exceed in aggregate .50% per annum.

"Payment Office" shall mean the Agent's office located at 1000 Louisiana, 3rd Floor, Houston, Texas 77002, or the office of the duly appointed successor to the Agent, as indicated in writing by such successor, to the Borrower and the Banks.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

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"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which the Borrower or any corporation, trade or business that is, along with the Borrower, a member of a Controlled Group, may have liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Permitted Subsidiary Indebtedness" means:

(i) Indebtedness of the Borrower or any Subsidiary under Interest Swap Obligations; provided that (a) such Interest Swap Obligations are related to payment obligations on Indebtedness otherwise permitted by Section 5.01, and (b) the notional principal amount of such Interest Swap Obligations does not exceed the principal amount of the Indebtedness to which such Interest Swap Obligations relate;

(ii) Indebtedness of the Borrower or any Subsidiary under Currency Hedge Obligations; provided that (a) such Currency Hedge Obligations are related to payment obligations on Indebtedness otherwise permitted by Section 5.01 or to the foreign currency cash flows reasonably expected to be generated by the Borrower and the Subsidiaries, and (b) the notional principal amount of such Currency Hedge Obligations does not exceed the principal amount of the Indebtedness or the amount of the foreign currency cash flows to which such Currency Hedge Obligations relate;

(iii) Indebtedness of the Borrower or any Subsidiary outstanding on June 16, 1994 and listed on Schedule 3.10;

(iv) Indebtedness of the Borrower or any Subsidiary in respect of performance bonds, surety bonds, appeal bonds and letters of credit issued for the account of the Borrower or any Subsidiary, in each case in the ordinary course of business;

(v) Indebtedness of any Subsidiary to the Borrower or any Wholly-Owned Subsidiary (but only so long as it remains a Wholly-Owned Subsidiary);

(vi) Non-Recourse Indebtedness of any Non-Recourse Subsidiary;

(vii) other Indebtedness of the Borrower or any Subsidiary; provided that at the date such Indebtedness is incurred and after giving effect to the incurrence of such Indebtedness, the aggregate amount of all Indebtedness outstanding at such time under this clause (vii) shall not exceed $20,000,000; provided further that at the date any Indebtedness of a Subsidiary is incurred and after giving effect to the incurrence of such Indebtedness, (a) the outstanding secured Indebtedness of the Borrower (other than Indebtedness secured by Liens described under clauses (ix) and (xvii) of the definition of "Permitted Liens"), (b) all Indebtedness and the aggregate liquidation value of all Preferred Stock of any Subsidiary (other than a Non-Recourse Subsidiary) incurred and outstanding in accordance with Section 5.15 (other than of the type described in clauses (ix), (xiv) and (xvii) of the definition of "Permitted Liens"), and (c) the aggregate amount of all Capital Lease Obligations of the Borrower and its Subsidiaries, does not exceed 10% of the Borrower's Consolidated Net Tangible Assets;

(viii) Permitted Refinancing Indebtedness; and

(ix) Indebtedness of the Borrower's Subsidiaries arising under this Agreement in favor of the Banks.

So as to avoid duplication in determining the amount of Permitted Subsidiary Indebtedness under any clause of this definition, guarantees of, or obligations

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in respect of letters of credit supporting, Indebtedness otherwise included in the determination of such amount shall not also be included.

"Permitted Investments" means:

(i) certificates of deposit, bankers' acceptances, time deposits, eurocurrency deposits and similar types of investments routinely offered by commercial banks with final maturities of one year or less issued by commercial banks having capital and surplus in excess of $100,000,000;

(ii) commercial paper issued by any corporation, if such commercial paper has credit ratings of at least A-1 by S&P or at least P-1 by Moody's;

(iii) U. S. Government Obligations with a maturity of four years or less;

(iv) repurchase obligations for instruments of the type described in clause (iii) hereof;

(v) shares of money market mutual or similar funds having assets in excess of $100,000,000;

(vi) payroll advances in the ordinary course of business;

(vii) other advances and loans to officers and employees of the Borrower or any Subsidiary, so long as the aggregate principal amount of such advances and loans does not exceed $500,000 at any one time outstanding;

(viii) Investments in Replacement Assets;

(ix) loans to or investments in (a) any Subsidiary (other than a Non-Recourse Subsidiary) by any other Subsidiary or by Borrower, other than loans to or investments in Subsidiaries constituting partnerships or joint ventures, or (b) Borrower by any Subsidiary; and

(x) Investments in any partnerships or joint ventures, provided that the aggregate Investment in all such partnerships and joint ventures by the Borrower and its Subsidiaries, taken as a whole, does not at any time exceed 10% of Tangible Net Worth.

"Permitted Liens" means:

(i) Liens for taxes, assessments and other governmental charges or levies or liens arising under the General Maritime Law of the United States such as arise from necessaries provided by contractors or subcontractors, towage,

general average or salvage, or the claims or demands of landlords, carriers, warehousemen, mechanics, laborers, materialmen and other like Persons, all of the foregoing arising by operation of law in the ordinary course of business for sums which are not yet due and payable, or such Liens the enforcement of which are, at all times, effectively and fully stayed and are being contested in good faith by appropriate proceedings diligently conducted, and for which reserves as required under generally accepted accounting principles shall have been established;

(ii) deposits or pledges to secure the payment of workmen's compensation, unemployment insurance or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds or other obligations of a like general nature incurred in the ordinary course of business;

(iii) zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto which do not materially impair the use of such property in the operation of the business of the Borrower, or the Significant Subsidiaries or the value of such property;

(iv) inchoate liens arising under ERISA to secure current service pension liabilities as they are incurred under the provisions of Plans from time to time in effect;

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(v) rights reserved to or vested in any municipality or governmental, statutory or public authority to control or regulate any property of the Borrower or the Significant Subsidiaries, or to use such property in a manner which does not materially impair the use of such property for the purposes for which it is held by the Borrower or the Significant Subsidiaries;

(vi) Liens on Property of the Borrower or its Subsidiaries as set forth on Schedule 1 attached hereto;

(vii) Liens on Property of a Person, other than Liens on Current Assets of such Person, existing at the time such Person has merged or consolidated with or into the Borrower or any Subsidiary thereof (and not incurred at a result of, or in anticipation of, such transaction); provided, that such Lien relates solely to the Property subject thereto;

(viii) Liens on Property, other than Liens on Current Assets, existing at the time of the acquisition thereof (and not incurred as a result of, or in anticipation of, such transaction); provided, that such Lien relates solely to the Property subject thereto;

(ix) Liens, other than Liens on Current Assets, to secure the payment of all or a part of the purchase price or construction costs of Property acquired or constructed after June 16, 1994; provided, that (a) the principal amount of

Indebtedness secured by such Liens shall not exceed (i) 66 2/3% multiplied by (ii) the lesser of the cost or Fair Market Value of the Property so acquired or constructed; and (b) such Liens shall not encumber any other assets or Property of the Borrower or any Subsidiary thereof and shall attach to such Property within 90 days of the construction or acquisition of such Property;

(x) Liens, other than Liens on Current Assets, in favor of the Lessor on Property subject to Capital Lease Obligations; provided, that such Liens secure Capital Lease Obligations which, when combined with (a) the outstanding secured Indebtedness of the Borrower (other than Indebtedness secured by Liens described in clauses (ix) and (xvii) of this definition), and (b) all Indebtedness of Borrower and its Consolidated Subsidiaries plus the aggregate liquidation value of all preferred stock of any Subsidiary (other than a Non-Recourse Subsidiary) incurred and outstanding in accordance with Section 5.15 (other than of the type described in clauses (ix), (xiv) and (xvii) hereof), and (c) the aggregate amount of all Capital Lease Obligations of the Borrower and its Subsidiaries, does not exceed 10% of the Borrower's Consolidated Net Tangible Assets;

(xi) Liens, other than Liens on Current Assets, securing Project Finance Indebtedness of the Borrower or any Subsidiary thereof; provided, that (a) the principal amount of Indebtedness secured by such Liens shall not exceed (i) 50% multiplied by (ii) the aggregate amount of capital expenditures to be made that directly relate to the repair, refurbishment, upgrade or improvement of the relevant asset or Property; (b) such Liens shall not encumber any other asset or Property of the Borrower or any Subsidiary thereof; (c) such Liens secure Project Finance Indebtedness which, when combined with (i) the outstanding secured Indebtedness of the Borrower (other than Indebtedness secured by Liens described under clauses (ix) and (xvii) hereof), (ii) all Indebtedness and the aggregate liquidation value of all preferred stock of any Subsidiary (other than a Non-Recourse Subsidiary) incurred and outstanding in accordance with Section 5.15 (other than of the type described in clauses (ix), (xiv) and (xvii) hereof), and (iii) the aggregate amount of all Capital Lease Obligations of the Borrower and its Subsidiaries, does not exceed 10% of the Borrower's Consolidated Net Tangible Assets; and (d) after giving effect to the occurrence of such Project Finance Indebtedness and any Lien created thereby, the ratio of (i) the Fair Value (as determined by a nationally recognized independent appraiser of drilling rigs) of the drilling rigs of the Borrower and its Consolidated Subsidiaries that are not subject to any Lien, to (ii) the aggregate amount of unsecured Indebtedness of the Borrower outstanding at such time and determined on a consolidated basis (including, without limitation, the Indebtedness under this

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Agreement), equals or exceeds 2.0 to 1.0;

(xii) Liens securing Indebtedness of the Borrower or any Subsidiaries; provided, that such Liens secure Indebtedness which, when combined with (a) the outstanding secured Indebtedness of the Borrower and its Consolidated Subsidiaries (other than Indebtedness secured by Liens described in clauses (ix)

and (xvii) hereof), (b) all Indebtedness plus the aggregate liquidation value of all Preferred Stock of any Subsidiary (other than a Non-Recourse Subsidiary) incurred and outstanding in accordance with Section 5.15 (other than of the type described in clauses (ix), (xiv) and (xvii) hereof, and (c) the aggregate amount of all Capital Lease Obligations of the Borrower and its Subsidiaries, does not exceed 10% of the Borrower's Consolidated Net Tangible Assets; provided further however, that no Liens otherwise permitted under this clause (xii) shall cover any Current Assets of Borrower or any of its Subsidiaries, except for Liens disclosed on Schedule 1 hereto, and Liens covering Current Assets of Triton which Current Assets secure working capital lines of credit of Triton.

(xiii) Liens to secure any extension, renewal, refinancing or refunding (or successive extensions, renewals, refinancings or refundings), in whole or in part, of any Indebtedness secured by Liens referred to in clauses (vi), (vii) and (viii) of this definition; provided, that such Lien does not extend to any other Property of the Borrower or any Subsidiary thereof and the principal amount of the Indebtedness secured by such Lien has not increased;

(xiv) Liens granted by a Non-Recourse Subsidiary securing Non-Recourse Indebtedness of such Non-Recourse Subsidiary and Liens on the capital stock of a Non-Recourse Subsidiary securing Non-Recourse Indebtedness of such Non-Recourse Subsidiary;

(xv) any charter or lease that would not constitute an Asset Sale pursuant to clause (D) of the definition of "Asset Sale";

(xvi) leases or subleases of real property to other Persons; and

(xvii) Liens required under this Agreement in favor of the Banks.

"Permitted Refinancing Indebtedness" means Indebtedness of the Borrower or a Subsidiary thereof, incurred in exchange for, or the proceeds of which are used to renew, extend, refinance, refund or repurchase, outstanding Indebtedness of the Borrower or any Subsidiary thereof which outstanding Indebtedness was incurred in accordance with, or is otherwise permitted by, the terms of this Agreement, other than any such Indebtedness permitted pursuant to clause (vii) of the definition of "Permitted Subsidiary Indebtedness"; provided that (i) if the Indebtedness being renewed, extended, refinanced, refunded or repurchased is pari passu with or subordinated in right of payment to the Notes, then such Indebtedness is pari passu with or subordinated in right of payment to, as the case may be, the Notes at least to the same extent as the Indebtedness being renewed, extended, refinanced, refunded or repurchased, (ii) such new Indebtedness is scheduled to mature later than the Indebtedness being renewed, extended, refinanced, refunded or repurchased, (iii) such new Indebtedness has an Average Life at the time such Indebtedness is incurred that is greater than the Average Life of the Indebtedness being renewed, extended, refinanced, refunded or repurchased and (iv) such new Indebtedness is in an aggregate principal amount (or, if such Indebtedness is issued at a price less than the principal amount thereof, the aggregate amount of gross proceeds therefrom is) not

in excess of the aggregate principal amount then outstanding of the Indebtedness being renewed, extended, refinanced, refunded or repurchased (or if the Indebtedness being renewed, extended, refinanced, refunded or repurchased was issued at a price less than the principal amount thereof, then not in excess of the amount of liability in respect thereof determined in

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accordance with GAAP); provided, further that Permitted Refinancing Indebtedness shall not include (a) Indebtedness of a Subsidiary of the Borrower that is incurred to renew, extend, refinance, refund or repurchase Indebtedness of the Borrower and (b) Indebtedness (other than Non-Recourse Indebtedness of the related Non-Recourse Subsidiary) that is incurred to renew, extend, refinance, refund or repurchase Non-Recourse Indebtedness of such Non-Recourse Subsidiary.

"Person" means any individual, corporation, business trust, association, company, limited liability entity, partnership, joint venture, trust, unincorporated organization or governmental authority, or any agency, tribunal, court, instrumentality or subdivision thereof, or any other form of entity.

"Plan" means any Pension Plan or Welfare Plan.

"Preferred Stock" means one or more classes of capital stock of the Borrower having a preferred or senior right, compared to some other class of capital stock, to receive dividends or the proceeds from the voluntary or involuntary liquidation of the Borrower.

"Pricing Selection" means the Borrower's selection pursuant to this Agreement of the Base Rate or the Adjusted Eurodollar Rate.

"Prohibited Transaction" means a "prohibited transaction" within the meaning of Section 4975 of the Code.

"Project Finance Indebtedness" of a Person means any Indebtedness the proceeds of which will be used solely to make capital expenditures to repair, refurbish, upgrade or improve one or more drilling rigs already owned by such Person or an Affiliate thereof, and such repairs, refurbishments, upgrades or improvements are being made in connection with a drilling or workover contract that has been entered into by such Person or an Affiliate thereof with a Person that is not an Affiliate of such Person.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, excluding capital stock in any other Person.

"Pro Rata Share" means for each of the respective Banks, the Specified Percentage.

"Quarterly Compliance Certificate" means the certificate in form and substance substantially similar to that which is attached hereto as Exhibit H, with the blanks therein properly and accurately completed, and setting forth the calculations demonstrating compliance with the financial covenants contained in the Agreement, such certificate being signed by an Authorized Representative of Borrower.

"Quarterly Operating Loss" means Consolidated Cash Operating Income, less depreciation and amortization, for any Quarterly Reporting Period, is a deficit figure.

"Quarterly Reporting Period" means each three-month period coinciding with the period for which the Borrower submits to the SEC its quarterly report on Form 10-Q or, in the case of the last three month period in any fiscal year of the Borrower, its report on Form 10-K; provided, that if the Borrower is not required to submit to the SEC quarterly reports on Form 10-Q, then Quarterly Reporting Period means each March 31, June 30, September 30 or December 31, except as Borrower and the Banks may otherwise agree in writing.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Regulatory Change" means, with respect to the Banks, any change after the date of this Agreement in United States federal or state, or foreign (including, without limitation, Canada and its provinces) laws or regulations (including, without limitation, Regulation D) or the adoption or making after such date of any interpretations, directives, or requests applying to a class of banks including the Banks of or under any United States federal or state, or any foreign, laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Reimbursement Obligations" means, collectively, the obligations of the Borrower then outstanding, or which may thereafter arise in respect of

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Letters of Credit then outstanding, to reimburse the Banks hereunder for the amounts paid by the Banks in respect of drawings made under Letters of Credit.

"Replacement Asset" means, with respect to any Asset Sale, the Property or asset that, as determined by the Board of Directors of the Borrower as evidenced by a resolution thereof, is used or useful in a line of business of the Borrower or any Consolidated Subsidiary existing on the date of this Agreement.

"Reportable Event" shall have the meaning set forth therefor in ERISA.

"Required Payment" means a repayment upon the Revolving Note in an amount sufficient to reduce the sum of (i) the aggregate principal balance of the Revolving Note and (ii) Total Letter of Credit Liabilities, to an amount equal to or less than the then applicable Borrowing Base.

"Reserve Requirement" means, for any Eurodollar Advance for any Interest Period therefor, the then current maximum rate at which reserves (including any basic, marginal, supplemental, emergency and other reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City, New York, against (a) in the case of Eurodollar Advances, "Eurocurrency Liabilities" (as such term is defined in Regulation D), and (b) in general, but without duplication, any category of deposits or liabilities as is or would be acquired, required, incurred or desirable by Agent in

connection with Agent's funding of, or procuring the funding for, or the making of, such Eurodollar Advances. Each determination by Agent of the applicable Reserve Requirement shall, in the absence of manifest error, be conclusive and binding.

"Restricted Payment" means to (i) declare or pay any dividend on, or make any distribution in respect of, or purchase, redeem, retire or otherwise acquire for value any capital stock of the Borrower or any Affiliates of the Borrower, or warrants, rights or options to acquire such capital stock, other than (x) dividends payable solely in the common stock of the Borrower or such Affiliate, as the case may be, or in warrants, rights or options to acquire such common stock, (y) dividends or distributions by a Subsidiary to the Borrower or to a Wholly Owned Subsidiary (except a Non-Recourse Subsidiary), and (z) conversion of Preferred Stock outstanding on June 16, 1994, into common stock of the Borrower, (ii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, scheduled sinking fund payment or other stated maturity, Indebtedness of the Borrower or any Subsidiary which is subordinated in right of payment to the Notes or (iii) make any Investment (other than Permitted Investments and Investments made by the Borrower in Wholly Owned Subsidiaries (or any Person that will be a Wholly Owned Subsidiary as a result of such Investment) except Non-Recourse Subsidiaries, or by a Subsidiary in the Borrower or one or more Wholly Owned Subsidiaries (or any Person that will be a Wholly Owned Subsidiary as a result of such Investment) except Non-Recourse Subsidiaries) in any Person.

"Revolving Loan Commitment" means the commitment of the Banks to make Revolving Loans as set forth in Section 2.03 hereof, up to the maximum aggregate amount of the Total Credit Commitment less $5,000,000, or such lesser amount, as such commitment shall exist from time to time.

"Revolving Loans" means the Loans to be made to the Borrower pursuant to the provisions of Article II hereof.

"Revolving Note" means the Revolving Note of the Borrower payable to the order of each of the Banks, in substantially the form attached hereto as Exhibit A, having the blanks therein appropriately completed and duly executed, and otherwise in form and substance satisfactory to the Banks, together with any and all renewals, extensions, rearrangements and/or increases.

"Sale and Lease-Back Transaction" means, with respect to any Person, any direct or indirect arrangement pursuant to which Property is sold or transferred by such Person or a subsidiary of such Person and is thereafter leased back from the purchaser or transferee thereof by such Person or one of its subsidiaries.

"SEC" means the Securities and Exchange Commission or any successor to the function of such agency.

"Security" means "security" as defined in the Securities Act of 1933,

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as amended.

"Security Agreement" means that certain Security Agreement dated as of even date herewith, executed by the Borrower as "debtor" in favor of the Agent, for the benefit of the Banks, as secured party, and creating a security interest in each Intercompany Revolving Credit Note.

"Significant Subsidiaries" means each Subsidiary of the Borrower that, at any date of determination of the Subsidiaries that constitute Significant Subsidiaries, either (i) has total assets, determined in accordance with GAAP as of the most recent date for which a consolidating balance sheet of Borrower and its Subsidiaries is available, of at least $10,000,000, or (ii) is listed on Schedule 3.14 attached hereto, or (iii) has been designated, in a written notice by Borrower delivered to Agent, as a "Significant Subsidiary", or (iv) had total revenue (excluding revenues from Affiliates), determined in accordance with GAAP as of the most recent date for which a consolidating income statement from Borrower and its Consolidated Subsidiaries is available, of at least 5% of Consolidated total revenues of Borrower and its Subsidiaries.

"S&P" means Standard & Poor's Corporation or its successors.

"Special Purpose Fixed Charge Coverage Ratio" means, as of the last day of any fiscal quarter of the Borrower, the ratio of (i) Consolidated EBITDA of the Borrower to (ii) Special Purpose Fixed Charges of the Borrower.

"Special Purpose Fixed Charges" means, without duplication, as of the date of calculation thereof, the amounts of (i) Consolidated Interest Expense for the preceding four fiscal quarters, plus (ii) current scheduled maturities of principal on Indebtedness (including the principal component of capitalized leases) owed by the Borrower and its Consolidated Subsidiaries for the four fiscal quarters immediately preceding the date of calculation of Special Purpose Fixed Charges, plus (iii) all dividends on Preferred Stock of Borrower which dividends Borrower is obligated to pay (and an obligation to pay Preferred Stock dividends shall be deemed to exist whether or not such dividends are cumulative) by the terms of such Preferred Stock for the four fiscal quarters immediately preceding the date of calculation of Special Purpose Fixed Charges, plus (iv) all Capital Expenditures made by the Borrower or its Consolidated Subsidiaries over the four fiscal quarters immediately preceding the date of calculation of Special Purpose Fixed Charges, less Excess Cash on Hand (except that the amount determined for this clause (iv) shall be deemed to be zero if it would otherwise be a negative number).

"Specified Percentage" means, as to any of the Banks, the percentage indicated beside its name on the signature pages hereof, or as adjusted or specified in any Assignment and Acceptance.

"Subsidiary" means any corporation or other Person (whether now existing or hereafter created) of which more than 50% of the issued and outstanding securities having ordinary voting power for the election of directors, or more than 50% of the beneficial ownership interest, is now or hereafter owned or controlled, directly or indirectly, by the Borrower or any Subsidiary thereof, with the voting power and ownership of the Borrower and all Subsidiaries aggregated together to determine whether a Person is a Subsidiary, and "Subsidiary" shall include, without limiting the generality of the foregoing, the Significant Subsidiaries.

"Tangible Net Worth" means, at any date of determination thereof, the Consolidated total assets of the Borrower and its Subsidiaries (valued at cost less normal depreciation) at such date, less the sum, determined on a Consolidated basis for the Borrower and its Subsidiaries, of (i) all intangibles at such date, (ii) all liabilities at such date, and (iii) all other notes, accounts or other receivables owed to Borrower by any Affiliate, all determined on a Consolidated basis. For purposes of this definition, the term "intangibles" shall include, without limitation, (a) deferred charges, (b) the amount of any write-up after December 31, 1993, in the book value of any assets contained in any balance sheet resulting from revaluation thereof (except as permitted by GAAP), or any write-up in excess of the cost of such assets acquired and (c) the aggregate of all amounts appearing on the assets side of any such balance sheet for franchises, licenses, permits, patents,

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patent applications, copyrights, trademarks, trade names, goodwill, treasury stock, experimental or organizational expenses and other like intangibles. For purposes of this definition, the term "liabilities" shall include as of the date of determination of Tangible Net Worth, without limitation, (1) Indebtedness, (2) deferred liabilities, and (3) obligations under leases which have been capitalized or should have been capitalized in accordance with GAAP.

"Total Credit Commitment" means $30,000,000, or such lesser amount as the Banks and the Borrower may otherwise agree on from time to time in writing.

"Total Letter of Credit Liabilities" means the aggregate outstanding amount of all Letter of Credit Liabilities in respect of all Letters of Credit.

"Tribunal" means any court, tribunal or governmental department, commission, board, bureau, agency, or instrumentality of any state, province, commonwealth, nation, territory, possession, county, parish, or municipality, whether now or hereafter constituted and/or existing.

"Triton" means Triton Engineering Services Company, a Texas corporation, and its Subsidiaries.

"Type" means any type of Advance (that is, a Base Rate Advance or a Eurodollar Advance).

"UCC" means the Uniform Commercial Code as adopted and amended in the State of Texas.

"UCP" means the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as amended and in effect from time to time.

"U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under clauses (i) or (ii) are not callable or redeemable at the option of the issuer thereof or (iii) depository receipts issued by a bank or trust company as custodian with respect to any

such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" means, with respect to any Person, securities of any class or classes of capital stock in such Person entitling the holders thereof (whether at all times or at the times that such class of capital stock has voting power by reason of the happening of any contingency) to vote in the election of members of the board of directors (or comparable body) of such Person.

"Welfare Plan" means a "welfare plan", as such term is defined in Section 3(1) of ERISA.

"Wholly-Owned Subsidiary" means any Subsidiary 100% of whose capital stock (of every class or type, including warrants, rights, options and instruments convertible into capital stock), except shares required as directors' qualifying shares, is owned directly or indirectly by the Borrower.

1.02 Accounting Terms and Definitions. (a) Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent (except for changes approved by Borrower's independent certified public accountants) with the most recent financial statement of Borrower delivered to the Agent. All other terms used herein shall have the meanings as otherwise stated herein or as otherwise defined in the Code.

(b) All terms defined in this Agreement shall have their defined

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meanings when used in each of the other Loan Documents, unless any such instruments shall expressly indicate otherwise, and when required by the context, each term shall include the plural as well as the singular. Definitions of each Person specifically defined herein or in each other Loan Document shall mean and include herein and therein, unless otherwise expressly provided to the contrary, the successor, assigns, heirs and legal representatives of each such Person. Unless the context otherwise requires or unless otherwise expressly provided, references to this Agreement and each other Loan Document shall include all amendments and modifications thereof or thereto, as applicable and as in effect from time to time.

(c) Each reference herein to a section, or any subdivision thereof, shall refer to the applicable section or subdivision thereof, of this Agreement, unless another instrument is thereby expressly referenced. The headings in this Agreement and the other Loan Documents are inserted for convenience only and shall be ignored when construing any such instruments.

ARTICLE II -- CREDIT FACILITIES

2.01 Extensions of Credit. (a) Subject to the terms and conditions of this Agreement, each of the Banks severally agrees to lend to the Borrower, and the Borrower has the right to borrow from each of the Banks, from time to time during the period from the date hereof to and including the Credit Maturity Date, amounts not to exceed at any one time outstanding such Bank's Specified Percentage of the Revolving Loan Commitment, provided, however, that (i) the sum of the aggregate principal amount of all Revolving Loans by the Banks at any one time outstanding together with all Letter of Credit Liabilities shall not exceed the lesser of (a) the Total Credit Commitment, and (b) the Borrowing Base in effect from time to time, and (ii) the aggregate principal amount of all Revolving Loans by the Banks at any one time outstanding shall not exceed the lesser of (a) $25,000,000 and (b) the Total Credit Commitment and (iii) all Letter of Credit Liabilities shall not exceed $5,000,000. The credit described in the preceding sentence shall be a revolving credit entitling the Borrower to borrow, prepay and reborrow by means of Advances of any Type in accordance with the terms hereof. Each Type of Advance shall be made at Agent's Applicable Lending Office for such Type of Advance.

(b) All Loans under this Agreement shall be made by the Banks simultaneously and in proportion to their Specified Percentages of the Revolving Loan Commitment. None of the Banks shall be responsible for any default by any other Bank regarding that other Bank's obligation to make a Loan and participate in the issuance of a Letter of Credit hereunder. The Agent shall make such minor technical adjustments among the Banks as may be necessary or appropriate with respect to the allocation of final Loans and participations in the Letters of Credit or repayments among the Banks in order that such Loans and participations in the Letters of Credit and repayments of the Note or other Obligations, which shall have been divided among the Banks on the basis of their Pro Rata Shares, correspond exactly to the Commitments and the Loans and participation in the Letters of Credit or repayments of the Note or other Obligations severally due from or to each of the Banks.

(c) Notwithstanding any terms or provisions to the contrary herein contained or referenced, the Banks shall have no commitment to make any Loan to Borrower or to issue any Letter of Credit on behalf of Borrower if at the time of the request therefor any of the following conditions shall have occurred and be continuing: (i) any representation or warranty made herein or in any other Loan Document (other than those representations and warranties that are by their express terms limited to the date of the instrument in which they are initially made or in respect to which each such change shall be and has been communicated, in writing to the Agent and approved, in writing, by the Agent) is not true and correct in all material respects at such time as though made on and as of such time; (ii) there has been a material adverse change in the condition, financial or otherwise, of Borrower and the Significant Subsidiaries taken as a whole; (iii) there exists, or will exist, upon the making of such Loan, a Default or an Event of Default; or (iv) with respect to any Revolving Loan, the Agent shall not have timely received a Loan Formula Certificate appropriately completed, duly executed and accompanied by any required documentation.

2.02 Extensions of Maturity. Upon written request by the Borrower received by the Agent at least 90 days but not more than 120 days prior to each one year anniversary hereof

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until the Credit Maturity Date, the Banks (by unanimous written consent only) and the Borrower shall review the credit facilities provided for herein, and the Banks (by unanimous written consent only, expressed to Borrower within 60 days of receipt of Borrower's written request for extension of the Credit Maturity Date) and the Borrower, at that time, may mutually agree to extend the Credit Maturity Date for one year from the date of the Credit Maturity Date as set forth herein. No credit extensions beyond the two one-year extensions will be considered hereunder, and in no event shall the Credit Maturity Date be later than June 9, 1998. If, at the time of any of the above described reviews of the credit facilities provided herein, all of the Banks and the Borrower do not mutually agree to extend the Credit Maturity Date, then such date shall not be extended, and the undertaking to review and consider the credit facilities and the extension of the Credit Maturity Date as set forth herein above shall not be construed to create hereby any obligation on the part of the Banks to renew or extend the Credit Maturity Date, such determination to renew and extend the Credit Maturity Date being in the sole and absolute discretion of the Banks.

2.03 Manner of Borrowing. (a) The Borrower shall give to the Agent on or before 12:00 noon Houston, Texas time at least three Business Days prior to the requested date for a Eurodollar Advance and at least one Business Day prior to the requested date for a Base Rate Advance, written notice in the form of a Loan Request Form for each requested Revolving Loan hereunder, specifying the amount of such Advance, the Pricing Selection and the desired Interest Period. Each Advance shall be in the aggregate principal amount of $1,000,000 or an integer multiple thereof.

(b) Each Loan Request Form shall be irrevocable and binding on the Borrower, and the Borrower agrees hereby to indemnify each of the Banks against any cost, loss or expense incurred by any such Bank as a result of any failure to fulfill, on or before the date specified for a borrowing, the conditions to such borrowing set forth herein, including, without limitation, any cost, loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any such Bank to fund the Loan to be made by such Bank as part of such borrowing. Any such costs, losses or expenses incurred by any of the Banks shall be accompanied by the Agent's written summary explanation thereof.

(c) Upon receipt of the Loan Request Form, the Agent shall give each of the Banks telephonic notice (confirmed in writing) of the requested Loan, of each of the Banks' Specified Percentage thereof, of the applicable interest rate and of any other matters set forth in the Loan Request Form. Each of the Banks shall, before 10:30 A.M. Houston, Texas time on the requested Borrowing Date, make available (for the account of the Agent) to the Agent at its Payment Office, in same day funds the amount of such Bank's Specified Percentage of the Loan. Upon the Agent's receipt of such funds and fulfillment of the applicable conditions set forth in Article VIII hereof, the Agent will, at or prior to 12:00 noon, make the amount of the requested Loan available to the Borrower by deposit of the proceeds of such Loan to Borrower's demand deposit account maintained with the Agent in Houston, Texas.

(d) Unless the Agent shall have received notice from any of the Banks prior to the requested borrowing date that such Bank will not make available to the Agent funds in the amount of such Bank's Specified Percentage of the Loan, the Agent may assume that such Bank

has made such portion available to the Agent on the Borrowing Date in accordance with Section 2.03(c) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such Specified Percentage available to the Agent and the Agent shall have so made such corresponding amount available to the Borrower, Agent shall use its best efforts to promptly notify such Bank and the Borrower of such failure to pay (although any failure by Agent to effect such notice shall not void the rights of the Agent or the Banks, or the Banks' or the Borrower's obligation to reimburse, as hereinafter set forth, such Bank and the Borrower severally agree to repay to the Agent, forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to the Eurodollar Advance or the Base Rate Advance, as the case may be, comprising

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such Loan and (ii) in the case of such Bank, the Federal Funds Rate; provided, however, that the Agent shall not be entitled to recover more than one satisfaction from Borrower and such Bank of such amount funded, together with interest thereon. If such Bank shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Bank's advance as part of the Loan for purposes of this Agreement and Borrower shall thereupon be obligated to repay such advance in accordance with the terms and conditions hereof.

(e) If no Interest Period with respect to any Advance is specified by the Borrower in the Loan Request Form, then the Borrower shall be deemed to have requested the shortest Interest Period available under the terms hereof with respect to such Advance. Each Loan shall be evidenced by a promissory note of the Borrower in the form of a Note, dated the date of this Agreement and payable on or before the Credit Maturity Date all as set forth therein. Each of the Banks may endorse on a schedule attached to each Note held by it an appropriate notation evidencing each Advance and each payment made on account of the principal and interest on such Advance; provided, however, that the failure to make such a notation on any Note with respect to any Advance shall not limit or otherwise affect the obligation of the Borrower hereunder or under any Note with respect to any Advance or any other obligations, and payments of principal or interest on each Advance shall not be affected by the failure to make a notation thereof on said schedule.

(f) Each Advance shall bear interest on the unpaid balance of the principal amount thereof from the date such Advance is made until paid in full at a varying per annum rate of interest equal from day to day to the sum of (i) the Applicable Rate, plus (ii) the Applicable Margin, each such change in the rate of interest charged on each outstanding Advance to become effective, without notice to the Borrower or any other Person, on the effective date of each change in the Applicable Rate, the Applicable Margin or the Operating Loss Increment, as the case may be. As a result of the means of and timing for calculation for the Operating Loss Increment, the Borrower may be required from time to time to pay additional interest on an Advance with respect to which the Borrower had previously paid certain accrued unpaid interest, and Borrower shall pay to the Agent, for the benefit of the Banks, upon demand by the Agent such additional interest on Advances (whether or not such Advances are then outstanding) as results from the determination that the Operating Loss Increment applied to a prior period of time.

(g) Accrued and unpaid interest on all Advances shall be due and payable as follows: (i) in the case of each Base Rate Advance, or Eurodollar Advance, on each Interest Payment Date, and (ii) in the case of any Advance, when such Advance shall be due (whether at maturity, by reason of prepayment, scheduled due date, acceleration or otherwise), or converted into an Advance of another Type but only to the extent accrued on the amount then due or converted. All unpaid principal and accrued unpaid interest shall be due and payable on the Credit Maturity Date.

(h) Without duplication of the provisions of Section 2.04 hereof, all past due principal, and, to the maximum extent permitted by Applicable Law, all past due interest on Advances under this Agreement, the Notes and other amounts herein and under each other Loan Document due, shall bear interest on the amounts thereof from time to time remaining unpaid (both before and after judgment) at the Default Rate.

(i) In no event shall the sum of (X) the aggregate unpaid principal amount of the Revolving Loans outstanding and (Y) the Total Letter of Credit Liabilities exceed the lesser of (A) the Total Credit Commitment and (B) the Borrowing Base.

(j) In the event that, at any time or from time to time, the sum of (i) the aggregate principal amount of the Revolving Loans and (ii) Total Letter of Credit Liabilities exceeds the lesser of (a) the Total Credit Commitment and (b) the Borrowing Base in effect at such time, then the Borrower shall, within five (5) Business Days after submission of a Loan Formula Certificate evidencing same, make a Required Payment in an amount such that no such excess shall exist, provided that if necessary to cover any such excess after prepaying the Revolving Loans in full, the Borrower shall pay to the Banks for credit to the Collateral Account an amount such that no such excess will exist. The Agent shall give to the Borrower written notice of each determination that any Eligible Account submitted for inclusion in or included in the Borrowing Base is unacceptable or deficient, for the reasons specified in the notice and that such Eligible Account is therefore not a part or no longer a part of the Borrowing Base, and the Borrower shall within 30 days after such notice, make a Required Payment. In addition to the foregoing,

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should the aggregate unpaid principal balance under the Notes at any time exceed the Borrowing Base then in effect, the Borrower shall within five (5) Business Days after demand by the Agent, make a Required Payment.

(k) The Notes, in addition to the applicable terms and provisions hereof and referenced herein, shall otherwise be subject to, and governed by the terms and provisions therein set forth and referenced and such terms and provisions incorporated herein for all purposes.

2.04 Conversions and Continuations. The Borrower shall have the right from time to time to convert all or a part of one Loan or Type of Advance into another Loan or Type of Advance or to continue all or part of any Loan by giving Agent written notice pursuant to a Loan Request Form at least three (3) and not more than seven (7) Business Days before conversion into or continuation of an Advance, specifying: (i) the conversion or continuation date, (ii) the amount of the Loan or Advance to be converted or continued, (iii) in the case of conversions, the Loan or Type of Advance to be converted into, and (iv) in the case of a

continuation of or conversion into a Eurodollar Advance, the duration of the Interest Period applicable thereto; provided that neither Base Rate Advances nor Eurodollar Advances may be converted to, or, on the last day(s) of the then current Interest Period(s) for outstanding Eurodollar Advances, continued as, as applicable, Eurodollar Advances, after the occurrence of an Event of Default or Default, or so long as any Regulatory Change has the consequences described in Section 2.14, or when any of the conditions referred to in Section 8.02(a), (b), (c) and (d) are not then met. Eurodollar Advances shall only be converted or continued on the last day of the Interest Period for such Eurodollar Advances. All notices given under this Section shall be irrevocable and shall be given not later than 12:00 noon, Houston, Texas time, on the day which is not less than the number of Business Days specified above for such notice. If Borrower shall fail to give to Agent the notice as specified above for continuation or conversion of a Eurodollar Advance prior to the end of the Interest Period with respect thereto, then such Eurodollar Advance, on the last day of the Interest Period for such Eurodollar Advance shall automatically be converted into a Base Rate Advance. Upon the occurrence of an Event of Default, the Agent may convert all Eurodollar Advances to Base Rate Advances, and the Borrower agrees to pay any and all costs and expenses associated with or related to such conversion(s) of its Eurodollar Advances. The provisions of the immediately preceding sentence notwithstanding, however, (i) the provisions of such sentence shall not limit in any respect the obligation of the Borrower to pay interest at the Default Rate on all past due principal and, to the maximum extent permitted by Applicable Law, all past due interest, whether by acceleration or otherwise, as provided herein, and (ii) after the occurrence and during the continuance of an Event of Default, all Base Rate Advances shall bear interest at a rate per annum equal to the Default Rate rather than the Base Rate.

2.05 Use of Proceeds of Advances. The proceeds of each Advance shall be used by the Borrower solely for its working capital needs.

2.06 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Agent for the account of each of the Banks a commitment fee equal to .375% per annum on the average daily unused portion of the Total Credit Commitment (determined by subtracting the aggregate amount of all outstanding Revolving Loans then outstanding and the face amount of Letters of Credit issued and outstanding and the aggregate of any amounts advanced under any Letter of Credit and not yet reimbursed from the Total Credit Commitment) computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. Such commitment fee with respect to the Total Credit Commitment shall accrue from and including the date hereof to but excluding the Credit Maturity Date (including all extensions thereof) and shall be payable quarterly in arrears commencing on the last Business Day of June, 1994 and continuing on the last Business Day of each September, December, March and June thereafter until the Credit Maturity Date (including all extensions thereof). Pursuant to Section 2.07 hereof, the Borrower shall have the right to permanently reduce the Total Credit Commitment; and any such permanent reduction or termination of the Total Credit Commitment shall proportionately reduce or terminate the commitment fee otherwise payable pursuant to this Section 2.06(a) as of the date on which the Total Credit Commitment is so permanently reduced or terminated.

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(b) Letter of Credit Fees and Commissions. The Borrower agrees to pay to the Agent for the account of First Interstate a fee for issuing the Letters of Credit (calculated separately for each Letter of Credit) equal to .125% per annum of the maximum liability of the Banks existing from time to time under such Letter of Credit, payable quarterly in arrears on the last Business Day of each June, September, December and March during the period that such Letter of Credit is outstanding. The Borrower additionally agrees to pay to the Agent for the benefit of the Banks in proportion to their Specified Percentages commissions for issuing the Letters of Credit (calculated separately for each Letter of Credit) equal to 1.125% per annum of the maximum liability of the Banks existing from time to time under such Letter of Credit. All such fees shall be payable quarterly in arrears on the last Business Day of each March, June, September and December up to, but including on, the Credit Maturity Date, and Borrower shall also pay such other fees as First Interstate may customarily charge and set forth in the Application. To the extent that any outstanding Letter of Credit is amended, the Borrower shall pay to the Agent for the account of First Interstate an amendment commission of $30 per amendment.

(c) Fee at Closing. Borrower shall pay at closing to the Agent for the account of each of the Banks party hereto at closing a fee in the amount of .5% of the Total Credit Commitment.

2.07 Reduction or Termination of Revolving Credit Commitment. Subject to the provisions hereof, the Borrower may at any time or from time to time permanently reduce the Total Credit Commitment or permanently terminate in whole the Total Credit Commitment by giving not less than two (2) Business Days' prior written notice to such effect to the Agent, provided that (a) any partial reduction of the Total Credit Commitment shall be in an aggregate amount of not less than $1,000,000 and (b) unless the Borrower shall provide to the Agent for the benefit of the Banks cash in an amount sufficient to satisfy and secure the payment in full of all Letter of Credit Liabilities in excess of the Total Credit Commitment as so reduced, in no event shall Borrower be entitled to terminate or reduce the Total Credit Commitment if, after giving effect thereto, the Total Credit Commitment would be less than the sum of the aggregate amount of all outstanding Revolving Loans plus the Total Letter of Credit Liabilities.

2.08 Letters of Credit. Subject to all the terms of this Agreement, prior to the Credit Maturity Date First Interstate agrees to issue, renew and extend Letters of Credit, and each of the Banks agrees to maintain a participation interest, to the extent of the Specified Percentage of each, in all such Letters of Credit; provided that in no event shall Total Letter of Credit Liabilities exceed nor shall any Letter of Credit be issued, renewed or extended which would result in Total Letter of Credit Liabilities exceeding, the lesser of (i) $5,000,000, (ii) the Total Credit Commitment, and (iii) the Borrowing Base. Each Letter of Credit shall be issued by First Interstate with the Banks each participating based on their respective Specified Percentages, shall be for the account of the Borrower or any of its Subsidiaries, shall have an expiration date prior to the Credit Maturity Date and shall be for the purpose of securing the contractual obligations of the Borrower or any of its Subsidiaries, provided however, that neither the Agent, First Interstate nor any of the other Banks shall be obligated to issue any Letter of Credit if the face amount thereof would exceed the various limits on the Total Letter of Credit Liabilities as set forth in this Agreement. If First Interstate makes a payment under any Letter of Credit and the

Borrower has not made available to First Interstate sufficient funds to honor such payment, each of the Banks other than First Interstate will forthwith upon request forward to or deposit with Agent for the account of First Interstate an amount equal to its Specified Percentage of such payment, with interest as set forth in Section 2.10 hereof. Such deposit by the Banks shall not relieve the Borrower from its reimbursement obligations under the applicable Application or hereunder.

2.09 Notice and Manner of Obtaining Letters of Credit. (a) The beneficiary, amount and date of issuance, renewal, extension or reissuance of a Letter of Credit pursuant to this Agreement shall be designated in an Application therefor, together with a Loan Request Form, delivered by Borrower to the Agent and to First Interstate at least four Business Days prior to the requested date of such issuance, renewal, extension or reissuance. All Letters

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of Credit issued hereunder shall expire on or before the Credit Maturity Date, except that Letters of Credit may be issued which expire no later than one year after the Credit Maturity Date, provided that the Borrower shall have first provided (prior to such issuance) to the Agent for the benefit of the Banks, cash in an amount sufficient to satisfy and secure the payment in full of all Letter of Credit Liabilities that could be due within such one year period after the Credit Maturity Date.

(b) The Borrower assumes all risks of the acts or omissions of beneficiaries of any of the Letters of Credit with respect to their use of the Letters of Credit. Except in the case of bad faith, gross negligence, or wilful misconduct on the part of the Agent or any of its employees or corespondents, neither the Agent nor its correspondents shall be responsible for the validity or genuineness of certificates or other documents, even if such certificates or other documents should in fact prove to be invalid, fraudulent or forged; for errors, omissions, interruptions or delays in transmissions or delivery of any messages by mail, telex, or otherwise, whether or not they be in code; for errors in translations or for errors in interpretation of technical terms; or for any other consequences arising from causes beyond the Agent's control or the control of the Agent's correspondents, nor shall the Agent be responsible for any error, neglect, or default of any of the Agent's correspondents; and none of the above shall affect, impair or prevent the vesting of any of the Agent's rights or powers hereunder or under the Application, all of which rights shall be cumulative. The Agent and the Agent's correspondents may accept certificates or other documents that appear on their face to be in order, without responsibility for further investigation. In furtherance and not in limitation of the foregoing provisions, the Borrower agrees that any reasonable action taken by the Agent or by any correspondent of the Agent in good faith in accordance with any Letter of Credit, or any related drafts, certificates, documents or instruments, shall be binding on the Borrower and shall not put the Agent or the Agent's correspondents under any resulting liability to the Borrower.

(c) The Borrower agrees that the UCP shall be binding on the Borrower, its Subsidiaries, the Agent and the Banks with respect to Letters of Credit, except to the extent otherwise expressly agreed in writing. Notwithstanding the foregoing, but without limiting the effect of Section 2.09(d) hereof: (i) the Agent is authorized to make payments under Letters of Credit upon the presentation of the documents provided for therein and without regard to whether the Borrower or any of its Subsidiaries has failed to fulfill any of its respective obligations under any of the Loan Documents or any other Default has occurred; (ii) the Agent shall be entitled to rely upon any certificate, notice, demand or other communication (whether

by cable telegram, telecopy, telex or otherwise), believed by it to be genuine and to have been signed or sent by the proper Person or Persons, and upon advice of legal counsel selected by First Interstate (and no such reliance or failure shall place First Interstate under any liability to the Borrower or limit or otherwise affect any obligations of Borrower under this Agreement); (iii) any action, inaction or omission on the part of First Interstate under or in connection with the Letters of Credit or the related instruments or documents, if in good faith and in conformity with such laws, regulations or customs as First Interstate may reasonably deem to be applicable, shall be binding upon the Borrower (and shall not place First Interstate under any liability to the Borrower or limit or otherwise affect the Borrower's obligations under this Agreement); and (iv) notwithstanding any change or modification in any Letter of Credit or any instruments or documents called for thereunder, including waiver of noncompliance of any such instruments or documents with the terms of any Letter of Credit, this Agreement shall be binding on the Borrower and its Subsidiaries with regard to such Letter of Credit as so changed or modified, and to any action taken by First Interstate relative thereto.

(d) Without affecting any rights the Agent or the Banks may have under applicable law (including under the UCP), the Borrower agrees that neither the Agent, the Banks nor any of their respective officers or directors shall be liable or responsible for, and the obligations of the Borrower to First Interstate hereunder shall not in any manner be affected by: (x) the use which may be made of any Letter of Credit or the proceeds thereof by the beneficiary or any other Person or any other act or omission of any beneficiary or other Person; (y) the validity, sufficiency, enforceability or genuineness of documents other than the Letter of Credit, or of any endorsement(s) thereon, even if such documents should, in fact, prove to be in any or all respects invalid, insufficient, fraudulent or forged or any statement therein proves to be untrue or inaccurate in any respect whatsoever; or (z) any other circumstances whatsoever in making or failing to make payment under any Letter

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of Credit, except that the Borrower shall have a claim against First Interstate, and First Interstate shall be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Borrower which the Borrower proves are caused by First Interstate's willful misconduct or gross negligence in determining whether documents presented under any Letter of Credit complied with the terms of such Letter of Credit or First Interstate's willful failure to pay under such Letter of Credit after the presentation to it of documents strictly complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, First Interstate may accept documents that appear on their face to be in order, without responsibility of further investigation.

2.10 Obligation to Reimburse and to Prepay. The Borrower's obligations with respect to each and every Letter of Credit shall be absolute, irrevocable and unconditional and shall be performed strictly in accordance herewith. Upon receipt by First Interstate of any demand for payment under such Letter of Credit, First Interstate shall promptly notify the Borrower of the amount to be paid pursuant to such demand and the respective payment date. If the Borrower does not provide First Interstate with funds, in the amount and on the date necessary to satisfy First Interstate's obligation under a Letter of Credit which has been presented for payment by the holder thereof (whether at or prior to the expiration of such Letter of Credit), then the Banks, if possible under the terms thereof, shall advance funds as a Base Rate Advance in an amount necessary to satisfy First Interstate's payment obligation under such Letter of Credit.

If such Loan is not permissible hereunder, then amounts owed to First Interstate, as a result of payments by First Interstate pursuant to any Letter of Credit presented for payment, shall be immediately due and payable by the Borrower and shall bear interest at the Default Rate until paid in full by the Borrower. Each of the Banks shall, if such Base Rate Advance cannot be made and if the Borrower does not make such payments with respect to such Letter of Credit, make a payment to First Interstate, with interest at the Federal Funds Rate from the date First Interstate made demand for such payment from the Banks, equal to such Bank's Specified Percentage of the Letter of Credit presented for payment. The Agent's determination of the amounts owed to First Interstate by the Borrower for the benefit of the Banks in connection with payments by First Interstate pursuant to a Letter of Credit presented for payment shall, absent manifest error, be presumed correct by and with respect to Borrower. Any repayments by Borrower to First Interstate on account of a disbursement under any Letter of Credit shall be for the pro rata benefit of those Banks which advanced funds to First Interstate in accordance with their respective Specified Percentage participation interests in the applicable Letter of Credit. With respect to the Borrower's reimbursement obligations and without limitation as to any other provision hereof, each participating Bank may, to the fullest extent permitted by law, exercise all rights of payment (including set off) with respect to such participation as if such Bank were the direct creditor of the Borrower.

2.11 Method of Payment. All payments of principal, interest and other amounts to be paid by the Borrower hereunder, under the Notes and under any other Loan Document shall be made, in Dollars to Agent at the Applicable Lending Office and by wire transfer of immediately available funds, no later than 12:00 noon Houston, Texas time at such Applicable Lending Office on the date on which payment shall become due, and each such payment made after such time on such due date shall be deemed to have been made on the next succeeding Business Day. Whenever any payment hereunder, under the Notes or under any other Loan Document shall be stated to be due on a day that is not a Business Day, such payment may be made on the next succeeding Business Day and interest or Commitment Fees, as the case may be, shall continue to accrue during such extension.

2.12 Prepayment; Compensation. (a) Subject to Section 2.12(b) hereof, Borrower may, upon at least one Business Day's prior written notice to Agent in the case of Base Rate Advances, and at least three Business Days prior written notice to Bank in the case of any Eurodollar Advance, prepay the Notes in whole at any time or from time to time in part, such prepaid amounts to be delivered to each of the Banks in accordance with the Specified Percentages but with accrued interest to the date of prepayment on the amount so prepaid; provided that (i) each Eurodollar Advance prepaid, or converted in accordance with Sections 2.14 or 2.16, on a day other than the last day of the Interest Period for such Advance, must be accompanied by the payment described in Section 2.12(b), and (ii) each partial prepayment shall be in the principal amount of $US 1,000,000 or an integer multiple thereof.

(b) The Borrower shall pay to Agent, upon the request of any of the

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Banks, such amount or amounts as shall be sufficient (in the reasonable opinion of any such Bank) to compensate them for any loss, cost, damages, liabilities or expense incurred by each as a result of (i) any payment, prepayment or conversion of a Eurodollar Advance on a date other than the last day of an Interest Period for such Advance; or (ii) any failure by the Borrower to borrow, convert,

or prepay a Eurodollar Advance on the date for such borrowing, conversion, or prepayment, specified in the relevant notice of borrowing, prepayment, or conversion under this Agreement.

2.13 Computation of Interest. Interest on Eurodollar Advances shall be computed on the basis of a year of 360 days and the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable, unless such calculation would result in a usurious rate or amount of interest under Applicable Law, in which case interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable. Interest on Base Rate Advances shall be computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

2.14 Increased Costs; Regulation. (a) Borrower agrees, that if the effect of any change in any applicable law, rule, regulation, guideline or requirement (whether or not having the force of law) or in the interpretation or administration thereof by any central bank or other governmental agency charged with the administration thereof (other than an increase in the rate of tax on net income of any of the Banks) is

(i) to increase the cost to any of the Banks of honoring their respective commitments to lend hereunder or of making or maintaining any Loans hereunder;

(ii) to reduce any of the Banks' return hereunder or on its capital, or to reduce the principal, interest, or other sums received or receivable by any of the Banks hereunder by virtue of any Loans hereunder or otherwise;

(iii) to require the inclusion of any commitment or Loans hereunder, in whole or in part, in calculations related to any of the Banks' capitalization or reserve requirements or to change the requirements of such calculation or to increase any of the Banks' capital or reserve requirements thereby, as a result of any of which the profitability to any of the Banks of this Agreement or any Loans hereunder is adversely affected; or

(iv) to impose any other condition or change affecting this Agreement or any of such extensions of credit or liabilities or commitments;

then Borrower shall pay to the Agent for the benefit of each of the Banks so affected such additional amount as shall compensate such Banks for any of the foregoing additional costs or reductions ("Additional Costs"). The Agent shall use its best efforts to deliver promptly to the Borrower a written summary overview of the Additional Costs. Such Additional Costs shall be due and payable on the next succeeding Interest Payment Date following the event causing such additional cost or reduction to each such Bank (and the additional amount or amounts determined by each such Bank shall be conclusive and binding on Borrower except in the case of manifest error).

(b) Without limiting the effect of the foregoing provisions of this Section, in the event that, by reason of any Regulatory Change, (i) any of the Banks incur Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Bank which includes deposits by reference to which the interest rate on Eurodollar Advances or any other Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Bank which includes Eurodollar Advances, or other Loans or other financial

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accommodations, or (ii) any of the Banks becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, or (iii) the extension or funding by any of the Banks of any Advance, Letter of Credit or other financial accommodation hereunder, or the performance of any agreement or obligation by any of the Banks hereunder would be prohibited or materially restricted, then, if such Bank so elects, by notice to the Borrower, the obligation of any of the Banks to make additional such Loans or Advances of such Type or other financial accommodations hereunder shall be suspended until such Regulatory Change ceases to be in effect.

(c) Determinations and allocations by the Agent on behalf of any of the Banks for purposes of this Section of the effect of any Regulatory Change on such Bank's costs of maintaining its obligations to make Loans or of making or maintaining Loans or on amounts receivable by it in respect of Loans, and of the additional amounts required to compensate any of the Banks in respect of any Additional Costs, shall, in the absence of manifest error, be conclusive and binding.

(d) Notwithstanding any other provision of this Agreement, in the event that any governmental or central bank consent, approval, authorization or license necessary to enable the Borrower to comply with its obligations under any Loans, shall be modified, revoked, withdrawn or withheld, or in the event that it becomes unlawful or impossible for any of the Banks or the Applicable Lending Office of Agent to honor its obligation to make, maintain or continue Eurodollar Advances hereunder, then Agent, upon notification thereof by the affected Banks, shall promptly notify the Borrower thereof and (A) such Bank's obligation to make or continue the affected Type of Advance or Loan and to convert other Types of Advances into the affected Type of Advance or Loan hereunder shall be suspended until such time as such Bank may again make and maintain such affected type of Advance or Loan (in which case the provisions of Section 2.16 hereof shall be applicable) and (B) such Bank may immediately terminate the affected Loans, and in any such event the total principal amount of the Loans and all accrued unpaid interest thereon, immediately shall become due and payable without presentment, demand, or any other notice of any kind, all of which are hereby expressly waived, and such payment then due shall be deemed a prepayment for purposes of this Article II; provided however, such Bank agrees that it will use reasonable efforts to designate an alternate lending office with respect to any Eurodollar Advance affected by the matters or circumstances described in this Section 2.14 to avoid the results provided in this Section 2.14, so long as such designation is not disadvantageous to such Bank as determined by it in its sole discretion.

(e) Each Bank shall notify Agent, which shall notify the Borrower, of any event that for which such Bank intends to request compensation under this Section 2.14 as promptly as practicable, but in any event within 90 days, after such Bank obtains actual knowledge thereof; provided, that (i) if such Bank fails to give such notice within 90 days after it obtains actual

knowledge of such an event, such Bank shall, with respect to compensation payable pursuant to this Section 2.14 in respect of any costs resulting from such event, only be entitled to payment under this Section 2.14 for costs incurred from and after the date 90 days prior to the date that such Bank does give such notice and (ii) such Bank will designate a different Applicable Lending Office for the Loans affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Bank, be disadvantageous to such Bank, except that such Bank shall have no obligation to designate an Applicable Lending Office located in the United States of America. Each Bank will furnish to the Borrower a certificate setting forth the basis and amount of each request by such Bank for compensation under this Section 2.14. Determinations and allocations by a Bank for purposes of this Section 2.14 of the effect of any Regulatory Change pursuant to this Section 2.14 on its rate of return on or costs of maintaining Loans or its obligation to make Loans, or on amounts receivable by it in respect of Loans, and of the amounts required to compensate such Bank under this Section 2.14, shall, absent manifest error, be conclusive.

2.15 Limitation on Types of Advances. Anything herein to the contrary notwithstanding, if with respect to any Eurodollar Advances for any Interest Period therefor:

(a) any of the Banks determines that quotations of interest rates for the relevant deposits referred to as "Eurocurrency Liabilities" in Regulation D in Section 1.01 hereof are not being provided in the relative amounts or for the relative maturities for purposes of determining the rate of interest for such Advances as provided in this Agreement; or

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(b) any of the Banks determines that the relevant rates of interest referred to in the definition of "Eurodollar Rate" in Section 1.01 hereof on the basis of which the rate of interest for such Advances for such Interest Period is to be determined do not accurately reflect the cost to such Banks of making or maintaining such Advances for such Interest Period;

then the Agent may give to the Borrower notice thereof no later than 12:00 p.m., Houston, Texas time on the Business Day following the day of receipt by Agent of a properly completed Loan Request Form, which notice shall specify the relevant Type of Advances and the relevant amounts or periods, and so long as such condition remains in effect, Banks shall be under no obligation to make additional Advances of such Type or to convert Advances of any other Type into Advances of such Type.

2.16 Substitute Base Rate Advances. If the obligation of any Bank to make, convert and/or continue any Type of Eurodollar Advances shall be suspended pursuant to Section 2.14 or 2.15 hereof (Advances of such Type being herein called "Affected Advances" and such Type being herein called the "Affected Type"), all Advances that would otherwise be made, converted and/or continued by Bank of the Affected Type shall be made, converted and/or continued instead as Base Rate Advances (and, if an event referred to in Section 2.14 or 2.15 hereof has occurred and Agent so requests by notice to the Borrower, all Affected Advances then outstanding shall be automatically converted into Base Rate Advances and, to the extent that Affected Advances are so made as (or converted into) Base Rate Advances, all payments of

principal which would otherwise be applied to such Bank's Affected Advances shall be applied instead to its Base Rate Advances as determined by Agent. Any payment, prepayment or conversion required hereunder which occurs on a day other than the last day of an Interest Period, shall be subject to the payment obligations of Section 2.12 hereof.

2.17 The Facilities. Notwithstanding any term or provision contained in any Loan Document and related documentation to the contrary, it is hereby agreed that in no event shall Chapter 15 of Subtitle 3, Title 79, Revised Civil Statutes of Texas, 1925, as amended, apply to any Loan Document or related documentation or the loan transactions provided for hereunder in any manner. All payments by Borrower on account of the Notes, an Application, the L/C Facility and related documentation, or other amounts payable by Borrower pursuant to the terms of this Agreement shall be made in Dollars and in immediately available funds in Houston, Harris County, Texas, at the Payment Office of the Agent not later than 12:00 noon, Houston time, on the day such payment shall become due, and any payments received after such time shall be deemed received on the next following Business Day. In any case where a payment of principal of or interest on a Loan or a Reimbursement Obligation is due on a day which is not a Business Day, the Borrower shall be entitled to delay such payment until the next succeeding Business Day, but interest shall continue to accrue at the rate then effective under the Notes or with respect to such Reimbursement Obligation, as applicable, until the payment is, in fact, made. Except for Required Payments, which shall be applied as herein provided, each payment received by the Agent on the Notes or any Letters of Credit presented for payment, shall be applied first to Reimbursement Obligations, second to fees, expenses and other like obligations due under this Agreement or the other Loan Documents, third to accrued, earned and unpaid interest and the remainder, if any, to principal portions then due.

2.18 Taxes.

(a) Payments Free and Clear. Any and all payments by the Borrower under this Agreement or any of the other Loan Documents shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each of the Banks and the Agent, taxes imposed on its income, and franchise or similar taxes imposed on it, by (i) any jurisdiction (or political subdivision thereof) of which the Agent or such Bank, as the case may be, is a citizen or resident or in which such Bank has a permanent establishment (or is otherwise engaged in the active conduct of its business through an office or a branch) which is such Bank's Applicable Lending Office, (ii) the jurisdiction (or any political subdivision thereof) in which the Agent or such Bank is organized, or (iii) any jurisdiction (or political subdivision thereof) in which such Bank or the Agent is presently doing business which taxes are imposed solely as a result of doing business in such jurisdiction (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities so arising out of payments by the

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Borrower being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Banks or the Agent (i) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.18) such Bank or the Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make

such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with applicable law.

(b) Other Taxes. In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, any Assignment and Acceptance or any other Loan Document (hereinafter referred to as "Other Taxes").

(c) Receipts. Within 30 days after the date of any payment of Taxes or Other Taxes withheld by the Borrower in respect of any payment to any of the Banks or the Agent, the Borrower will furnish to the Agent the original or a certified copy of a receipt evidencing payment thereof.

(d) Survival. Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.18 shall survive the payment in full of principal and interest hereunder.

ARTICLE III -- REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to each of the Banks as follows:

3.01 Legal Existence. Borrower and each of the Significant Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdictions under which they are incorporated, and each is duly qualified to do business as of the date hereof in all jurisdictions wherein the property owned or the business transacted by each would require such qualification, except where the failure to so qualify would not have a Material Adverse Effect on the Borrower or any of the Significant Subsidiaries.

3.02 Corporate Power and Authority to Execute Documents. Borrower and each of the Significant Subsidiaries party to any of the Loan Documents has all requisite corporate power and authority to create, issue, execute, deliver, carry out and comply with this Agreement and the other Loan Documents to which each is a party. The Borrower and each of the Significant Subsidiaries have all requisite corporate power and authority and all necessary licenses, permits, franchises and other authorizations to own and operate its property and to carry on its business as now conducted and as proposed to be conducted, except where the failure to have such licenses, permits, franchises or other authorizations would not have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole.

3.03 Direct Benefit From Loans. The Borrower and the Significant Subsidiaries have each received, or, upon its execution thereof, will receive direct benefit from the making and execution of this Agreement and the other Loan Documents to which it is a party. All proceeds of the Revolving Loans will be used for working capital purposes of the Borrower or by the Borrower for the benefit of its Subsidiaries.

3.04 Valid, Binding, Enforceable Obligations. The Borrower and each of the Significant Subsidiaries have duly and effectively taken all corporate action requisite for the due creation, execution, issuance, delivery and performance of this Agreement and all other Loan Documents to which it is a party, and this Agreement and each of the other Loan Documents to which it is a party, when executed, will constitute a legally valid and binding obligation of

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the Borrower and each of such Significant Subsidiaries, enforceable against each such Person in accordance with their respective terms except as limited by bankruptcy, reorganization, moratorium or other similar laws and judicial decisions affecting the enforcement of creditors' rights generally and by general equitable principles.

3.05 No Violation of Charter, By-Laws or Agreements. Neither the Borrower nor any of the Significant Subsidiaries is in violation of any term of its certificate of incorporation or articles of incorporation, as appropriate, or by-laws. Neither Borrower nor any of its Subsidiaries is in default or violation of any term of any indenture, mortgage, deed of trust, promissory note, loan agreement, note agreement or other material agreement including, but without limitation, any lease, to which it is a party or by which it or any of its property may be bound or subject, the violation of which would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole.

3.06 No Violation of Laws, Rules or Orders. Neither the Borrower nor any of its Subsidiaries is:

(i) in violation of any laws, ordinances, statutes, rules, regulations, franchises, certificates, permits or other Governmental Requirements to which it is subject, the violation of which would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole; or

(ii) in default with respect to any judgment, order, writ, injunction, decree or demand of any court, arbitrator or governmental body which individually or in the aggregate would have a Material Adverse Effect on Borrower and the Significant Subsidiaries taken as a whole.

3.07 Loan Documents Do Not Violate Other Documents. Neither the execution and delivery by the Borrower or any of the Significant Subsidiaries of this Agreement or any other Loan Document to which it is a party nor the consummation of the transactions herein and therein contemplated, nor the performance of, or compliance with, the terms and provisions hereof and thereof, does or will breach or violate any provision of its certificate of incorporation or articles of incorporation or bylaws, or any applicable law, statute, rule or regulation or any judgment, decree, writ, injunction, franchise, order or permit applicable to the Borrower or any of the Significant Subsidiaries or their respective assets or properties, or does or will conflict or be inconsistent with, or does or will result in any breach or default of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any Lien, security interest, charge or encumbrance upon any of the property or assets of the Borrower or any of the

Significant Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, or other instrument to which the Borrower or any of the Significant Subsidiaries is a party or by which the Borrower or any of the Significant Subsidiaries or any of their respective properties may be bound, the contravention, conflict, inconsistency, breach or default of which will have a Material Adverse Effect on Borrower and the Significant Subsidiaries taken as a whole, or affect their respective abilities to perform, promptly and fully, their respective obligations hereunder or under any of the other Loan Documents.

3.08 Board of Directors Authorization. The Boards of Directors of the Borrower and each of the Significant Subsidiaries, acting pursuant to a duly called and constituted meeting, after proper notice, or pursuant to a valid and unanimous written consent, has determined that entry into and performance of this Agreement and each of the other Loan Documents to which any of the Borrower or any of the Significant Subsidiaries is a party, directly or indirectly benefits each of such Persons, and that adequate and fair consideration has been received by the Borrower and each Significant Subsidiary to execute and perform this Agreement and each of the other Loan Documents to which each of such Persons is a party.

3.09 Financial Statements. The Financial Statements, which have been delivered to the Bank, were prepared in accordance with generally accepted accounting principles, consistently applied, and present fairly in all material respects the Consolidated financial condition and results of operations of the Borrower and each of its Subsidiaries as at the date and for the period covered thereby. Since March 31, 1994, no Material Adverse Effect has occurred with respect to the Borrower and its Subsidiaries taken as a whole.

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3.10 No Undisclosed Liabilities. As of the date hereof, neither the Borrower nor any of its respective Subsidiaries has any liabilities or Indebtedness, direct or contingent, except as disclosed in the Financial Statements or as disclosed to the Banks in Schedule 3.10 attached hereto, and except for liabilities or Indebtedness which, in the aggregate, do not exceed $1,000,000.

3.11 Tax Returns and Payments. All tax returns required to be filed by the Borrower or the Significant Subsidiaries in any jurisdiction have been filed; all taxes, assessments, fees and other governmental charges upon the Borrower or any of the Significant Subsidiaries and upon their respective properties, income or franchises, which are due and payable have been paid, other than those which are being contested in good faith and as to which the Borrower or the Significant Subsidiaries, as required by GAAP, have established adequate reserves determined in accordance with GAAP, except where the failure to file such return or pay such taxes, assessments, fees and other governmental charges or record adequate reserves (i) would not have a material adverse effect on the condition, financial or otherwise, of the Borrower and the Significant Subsidiaries taken as a whole, and (ii) does not involve unpaid amounts in the aggregate, with respect to the Borrower and its Subsidiaries, in excess of $1,000,000.

3.12 ERISA. Except as disclosed on Schedule 3.12, each Plan of the Borrower and its Subsidiaries satisfies the minimum funding standards under all Laws applicable thereto, no ERISA Event has occurred with respect to any such Plan and no such Plan has an accumulated funding deficiency thereunder. Neither the Borrower nor any of its Subsidiaries has incurred any material liability to the PBGC with respect to any Plan. Neither the Borrower nor any of its Subsidiaries has participated in any prohibited transactions with respect to any Plan or trust

created thereunder, and the consummation of the transactions contemplated hereby, and by the other Loan Documents, will not involve any Prohibited Transactions. Neither the Borrower nor any of its Subsidiaries is a participant in, or obligated to contribute to, a Multiemployer Plan.

3.13 Environmental Laws. None of the real property in which the Borrower or any of its subsidiaries has an interest (whether leased or owned) or the operations currently conducted thereon by such Person or, to the knowledge of the Borrower, conducted by any current or prior owner or operator thereof, (a) violates or has violated any applicable Environmental Laws the violation of which could reasonably be expected to result in a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole, or result in costs not otherwise covered by insurance from a Person that is not an Affiliate of the insured, penalties, fines or damages payable by the Borrower or any of its Subsidiaries in an aggregate amount in excess of $10,000,000 or more, or (b) subject, except as disclosed in writing to the Banks or the in Borrower's Form 10-K for the period ended December 31, 1993, to any pending or threatened investigation or proceedings by any Tribunal or to remedial obligations under any Environmental Law. All licenses have been obtained or filed that are required under any Environmental Law in connection with the use by the Borrower or any Significant Subsidiary of such real property (including without limitation past or present treatment, storage, disposal and release of any Hazardous Materials into the environment). No Hazardous Materials have been disposed of or otherwise released by Borrower or any of its Subsidiaries on or to any real property, lake, ocean, bay, sea or river, in which any operations of the Borrower or any of its Subsidiaries are conducted, except in compliance in all material respects with Environmental Laws. None of the Borrower or any of its Subsidiaries has any liability which would be material to the Borrower and its Subsidiaries taken as a whole, with respect to any release of any Hazardous Materials into the environment. The use which each of the Borrower and its Subsidiaries makes or intends to make of their respective properties that consists of interests in real property (whether leased or owned) on which any of its operations are conducted will not result in the unlawful or unauthorized disposal or other release of any Hazardous Materials, except in compliance in all material respects with applicable Environmental Laws.

3.14 Subsidiaries. Borrower has no Subsidiaries except as listed on Schedule 3.14. Each of the Significant Subsidiaries is a Wholly-Owned Subsidiary of the Borrower. Schedule 3.14 contains a complete and accurate listing of each Significant Subsidiary of the Borrower showing (i) its complete name, (ii) its jurisdictional organization, (iii) its street and mailing address, which is its principal place of business and executive office, and (iv) all interests in such Significant Subsidiary owned by the Borrower or any

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of its Subsidiaries. None of the Significant Subsidiaries has issued or outstanding any warrants, options, rights or other obligations to issue or purchase any shares of their respective capital stock or other securities. The outstanding shares of capital stock of each of the Significant Subsidiaries have been duly authorized and validly issued and are fully paid and nonassessable.

3.15 Not a Secured Purpose Credit. None of the proceeds of any Loan will be used for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) where such Loan will be secured by margin stock, directly or indirectly, or for the purpose of extending credit secured by margin stock, directly or indirectly, to any Person or entity for the purpose of purchasing or carrying

any such margin stock or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction (or any aspect hereof) a "purpose credit" secured by margin stock, directly or indirectly, within the meaning of said Regulation U, as now in effect or as hereafter amended.

3.16 Investments and Obligations. As of the date hereof, neither the Borrower nor any of the Significant Subsidiaries has made any investments in, advances to, or guaranties of the obligations of, any Person, except as disclosed in the Borrower's report on Form 8-K filed May 6, 1994, the report on Form 10-K for the year ended December 31, 1993 or in the Borrower's report on Form 10-Q for the fiscal quarter ended March 31, 1994.

3.17 Consents Not Required. Except for those consents which have already been obtained, no consent of any other Person and no consent, license, permit, approval, or authorization of, exemption by, or registration or declaration with, any Tribunal is required in connection with the execution, delivery, performance, validity, or enforceability of this Agreement or any of the Loan Documents.

3.18 Litigation Pending. Except for the Litigation disclosed on the Borrower's report on Form 10-K for the year ended December 31, 1993, or in the Borrower's report on Form 10-Q for the fiscal quarter ended March 31, 1994, there is no Litigation pending or, to the knowledge of the Borrower, overtly threatened against the Borrower or any of the Significant Subsidiaries which, if adversely determined, would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole.

3.19 Material Fact Representations. Neither the Loan Documents nor any other agreement, document, certificate, or written statement furnished to the Banks by or on behalf of the Borrower or any of the Significant Subsidiaries in connection with the transactions contemplated in any of the Loan Documents contains any untrue statement of material fact. As of the date of this Agreement, there are no material facts or conditions relating to the making of the Loans, or the establishment of the L/C Facility, and/or the financial condition and business of the Borrower or any of the Significant Subsidiaries which have not been fully disclosed, in writing, to the Banks.

3.20 Borrower's Status. Neither Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled by an investment company" within the meaning of the Investment Company Act of 1940, as amended. Neither the Borrower nor any of its Subsidiaries is a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

ARTICLE IV -- AFFIRMATIVE COVENANTS

So long as any of the Notes remain unpaid, any Letters of Credit remain outstanding or the Banks have any commitment hereunder to make Loans or any Obligations hereunder or in connection herewith remain unpaid, the Borrower covenants, that it will do, or where applicable cause to be done, the following:

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4.01 Reporting Obligations. The Borrower will furnish to the Agent three copies of each of the following (and all financial statements furnished under this Subsection 4.01 shall be prepared in accordance with GAAP consistently applied throughout the periods involved):

(a) As soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, (i) a Loan Formula Certificate, (ii) a Quarterly Compliance Certificate for the Borrower's fourth fiscal quarter, and (iii) a copy of the Consolidated financial report of the Borrower, including the Consolidated and consolidating balance sheet of the Borrower as of the close of such fiscal year, the related Consolidated and consolidating statement of income and the related Consolidated and consolidating statement of changes in cash flows of the Borrower for such fiscal year, setting forth in comparative form the figures for the preceding fiscal year, all such Consolidated financial statements to be accompanied by an unqualified opinion of independent certified public accountants selected by the Borrower (from among the "big six" national accounting firms), that such financial statements fairly present in all material respects the financial condition and results of operations of the Borrower as of the close of the period covered by the report;

(b) Within three Business Days of delivery thereof to the Securities and Exchange Commission, copies of all filings by the Borrower therewith (including, without limitation, all filings on Form 10-K, Form 10-Q, Form 8-K, all prospectuses, all amendments to the foregoing and all proxy materials filed therewith);

(c) As soon as available, but in any event within 60 days after the end of each fiscal quarter of each fiscal year of the Borrower (other than the fourth quarter of each such fiscal year), (i) a Loan Formula Certificate, (ii) a Quarterly Compliance Certificate, and (iii) a Consolidated balance sheet as at the close of such quarter, a Consolidated statement of income and a Consolidated statement of changes in cash flows of the Borrower for such quarter and for the period ending with such quarter, setting forth in comparative form the corresponding figures for the corresponding quarter and period of the preceding fiscal year, all certified by an Authorized Representative of the Borrower as fairly presenting in all material respects the financial position, results of operations and changes in cash flows of the Borrower and its Subsidiaries as at the date thereof and for the period then ending;

(d) As soon as available, but in any event within 30 days after the end of each calendar month in each fiscal year of the Borrower beginning with the calendar month ended April 30, 1994, an aging schedule of accounts receivable of the Borrower and the Significant Subsidiaries as of the last day of the preceding month, in form reasonably satisfactory to the Banks, and setting forth all information necessary to determine (i) whether the accounts of the Borrower and the Significant Subsidiaries are Eligible Accounts, (ii) whether the account debtors thereon are Eligible Account Debtors, and (iii) the total amount of the Borrowing Base, all certified by an Authorized Representative of the Borrower, as presenting fairly in all material respects the Borrower's and the Significant Subsidiaries' aging schedule of accounts receivable, the financial position as at the date thereof and for the period then ended and the other information set forth therein;

(e) Promptly, but in any event within five Business Days, (i) after becoming aware of a Default or Event of Default, the Borrower shall give a verbal notification to the Agent specifying the nature and period of existence thereof and what action it is taking or proposes to take with respect thereto and, immediately thereafter, a written confirmation to the Agent of such matters, and (ii) after the release thereof, the Borrower shall deliver to Agent a copy of all press releases;

(f) Promptly, but in any event within five Business Days, after becoming aware that any Person has given notice of, or taken any other action with respect to, a claimed default under any indenture, mortgage, deed of trust, promissory note, loan agreement, note agreement, operating or joint venture agreement or any other material agreement or undertaking, to which the Borrower or any of the Significant Subsidiaries is a party and pursuant to which any of them are or, if the obligation evidenced or represented by any such agreement or undertaking could (as a result of such default) be accelerated, could be obligated in an amount of at least $1,000,000, the Borrower will give a verbal notification to the Bank specifying the notice given or action taken by such Person and the nature of the claimed default and what action the Borrower and the applicable Significant Subsidiary is taking or proposes to take with respect thereto and, immediately thereafter, a written

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confirmation to the Agent of such matters;

(g) Promptly, but in any event within ten Business Days, after becoming aware of any action, suit or proceeding pending or overtly threatened against or affecting the Borrower or any Significant Subsidiary before any Tribunal which, if adversely determined (i) could individually or in the aggregate, result in a monetary judgment of $1,000,000 or more not otherwise fully covered by insurance; provided, that claims for personal injury or death asserted individually or in the aggregate by Jones Act seamen (including related general maritime law claims such as allegations of unseaworthiness or demands for maintenance and cure) or employees of Borrower or its Subsidiaries, of up to $1,250,000 at any one time outstanding, need not be reported to Agent pursuant to this Section 4.01(g), or (ii) if other than a monetary judgment is requested, whether in the alternative or in addition to the monetary remedies therein sought, could materially and adversely affect the property, business, operation, or condition, financial or otherwise, of the Borrower and any of the Significant Subsidiaries taken as a whole, the Borrower will give a verbal notification to the Agent specifying the nature thereof, whether the alleged liability therein is covered by insurance then in effect and, if so covered, the monetary coverage thereof, and what action the Borrower or any of the Significant Subsidiaries is taking or proposes to take with respect thereto and immediately thereafter, a written confirmation to the Agent of such matters;

(h) Promptly, but in any event within ten Business Days, after becoming aware of the occurrence of any event or circumstance which more than likely would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole, give a verbal notification to the Agent specifying such event or occurrence and, immediately thereafter, a written confirmation to the Agent of such matters;

(i) Promptly after the filing thereof with the United States Secretary of Labor, the Internal Revenue Service or the PBGC by the Borrower or any of the Significant Subsidiaries, the Borrower will furnish to the Agent and the Banks copies of each annual and other reports

with respect to each Plan or any trust created thereunder, and (ii) immediately upon becoming aware of the occurrence of (A) the termination or requested or intended termination of a Plan, or (B) any event that would be a "reportable event" as such term is defined in Section 4043 of ERISA, or of any Prohibited Transaction, in connection with, or if it were applicable to, any Plan or any trust created thereunder, the Borrower will communicate a verbal notification to the Agent specifying the nature thereof, and, with respect thereto, and, when known, any action taken by the Internal Revenue Service and immediately thereafter, a written confirmation to the Agent of such matters;

(j) Promptly, but no later than 15 days, after the date that the Borrower or any of the Significant Subsidiaries changes its name (or uses any name other than previously disclosed in writing to the Agent), or the address and/or location of its chief executive office or principal place of business or the place where it keeps its books and records or its inventory, written notification to the Agent of such changes and all relevant information with regard thereto;

(k) Promptly, as required pursuant to Section 2.03, the Loan Request Forms and related Loan Formula Certificates;

(l) Promptly, but in any event prior to the last day of each fiscal year of the Borrower, (i) Consolidated operating budget, including, without limitation, a projected income statement, balance sheet and Capital Expenditures budget, for the Borrower and its Subsidiaries for the next succeeding fiscal year thereof, setting forth all material projected cash flows for such period and the assumptions used in preparing such budget, and (ii) a Consolidated Capital Expenditures budget for the Borrower and its Subsidiaries for the next succeeding fiscal year thereof, setting forth all projected capital expenditures for such period and the assumptions used in preparing such budget; and

(m) Within ten Business Days (or, if because of the nature of the request a longer period of time is required, as promptly as reasonably possible) after a reasonable request by the Agent, all other reports and information (or true and correct copies thereof) regarding the operation, financial and business condition of the Borrower and its Subsidiaries (or all of them). All writings heretofore or hereafter exhibited or delivered to the Bank by or on behalf of the Borrower or any of the Significant Subsidiaries are and will be genuine and what they purport to be.

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4.02 Payment of Taxes and Claims. The Borrower will, and will cause each of the Significant Subsidiaries to pay and discharge, before they become delinquent:

(a) all taxes, assessments and governmental charges or levies imposed upon any of them or upon their respective income or property or any part thereof; and

(b) all claims of any kind (including claims for labor, materials, supplies and rent) which, if unpaid, might result in the creation of a Lien upon any of their respective properties;

provided, that items of the foregoing description need not be paid (i) if such failure to pay any of same could not have a Material Adverse Effect on Borrower or any of the Significant Subsidiaries, or (ii) if (A) being contested in good faith by appropriate proceedings diligently conducted if such proceedings do not involve any likelihood of the sale, forfeiture or loss of any such property or any interest therein while such proceedings are pending, and (B) provided further that book reserves adequate under GAAP shall have been established generally therefor and (C) provided further that the owing Person's title to, and its right to use, its property is not materially adversely affected thereby.

4.03 Maintenance of Existence, Property and Records. The Borrower will, and will cause each of the Significant Subsidiaries to:

(a) maintain its existence, rights and franchises as necessary to conduct properly its business, and continue to be or become (as the case may be) duly authorized and qualified to transact business in each jurisdiction wherein the property owned or the business transacted by it makes such qualification necessary, except where the failure to maintain such authorization or qualification, in any jurisdiction, or in all jurisdictions in the aggregate, does not have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole;

(b) maintain property owned, leased or otherwise used by it in good and workable condition at all times (normal wear and tear excepted) and make all repairs, replacements, additions, betterments and improvements to such property as are necessary or desirable to continue its business as then normally conducted; and

(c) maintain and keep books of records and accounts, all in accordance with GAAP, of all dealings and transactions in relation to its business and activity.

4.04 Compliance With Laws. The Borrower will, and will cause each of its Subsidiaries to, observe and comply with:

(a) all laws, statutes, codes, acts, ordinances, rules, regulations, directions and requirements of all Federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers, domestic and foreign, applicable to it and where the failure to observe or comply would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole; and

(b) all orders, judgments, decrees, injunctions, certificates, franchises, permits, licenses and authorizations of all Federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers, domestic and foreign, applicable to it and where the failure to observe or comply would have a Material Adverse Effect on the Borrower and the Significant Subsidiaries taken as a whole, and against which it shall maintain such reserves as are appropriate under GAAP.

4.05 Cure of Defects in Loan Documents. The Borrower will, and will cause each of the Significant Subsidiaries, to cure promptly and cause to be cured promptly any defects in the creation, issuance, execution and delivery

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of this Agreement and the other Loan Documents; and upon request of the Agent and at the Borrower's expense, the Borrower will promptly execute and deliver, and cause to be executed and delivered, to the Banks, all such additional documents, agreements and/or instruments in compliance with or accomplishment of the covenants and agreements of this Agreement and the other Loan Documents, and/or to create, perfect, preserve, extend and/or maintain any and all Liens created pursuant to the Loan Documents as valid and perfected Liens in favor of the Banks to secure the Obligations, all as reasonably requested by the Agent.

4.06 Payment of Expenses. The Borrower will pay all reasonable out-of-pocket costs, expenses, legal fees and related disbursements incurred by or on behalf of the Agent in connection with the preparation, review, negotiation and administration of, this Agreement and the other Loan Documents or in connection herewith or therewith, including, without limitation, any and all amendments, supplements, modifications, extensions, restatements, waivers and consents. In the event that this Agreement or any of the Loan Documents must be renegotiated or restructured after the date hereof following the occurrence of an Event of Default, Borrower will pay all reasonable out-of-pocket costs, expenses, legal fees and related disbursements incurred by or on behalf of the Agent or any of the Banks in connection therewith. Upon request, the Borrower will reimburse promptly the Agent and the Banks for all reasonable amounts expended, advanced or incurred by the Agent or the Banks to satisfy or collect any obligation of the Borrower, or enforce any of the Banks' rights against any Person, arising under or in connection with this Agreement or any other Loan Document (whether or not any legal proceeding is instituted), which amounts will include, but not be limited to, all court costs, reasonable attorneys' fees, fees of auditors and accountants, and investigation expenses reasonably incurred by or on behalf of the Agent or the Banks to third parties in connection with any such matters, together with interest at a per annum rate equal to the lesser of (a) the Default Rate and (b) the Maximum Rate, on each such amount expended by the Agent or the Banks, with interest on unpaid amounts to accrue commencing ten days after written demand for payment of such amount is made by the Agent or the Banks, until the date it is repaid to the Agent and to the Banks; and the foregoing obligations of the Borrower shall survive the payment, in full, of all amounts owed on the Notes and of all Reimbursement Obligations. All payments of amounts owing under this Section 4.06 shall be applied first to accrued, unpaid interest, with the balance, if any, being applied to principal.

4.07 Inspection of Books, Property and Affairs. At any and all reasonable times, upon request from the Agent, the Borrower will, and will cause each of its Subsidiaries, to permit any officer, employee, agent or representative of, or designated by, the Agent or any of the Banks:

(a) to examine, at the Banks' cost and expense, its books of accounts, records, reports and other papers (and to make copies and extracts therefrom);

(b) to inspect, at the Banks' cost and expense, all of its property and all related information and reports; and

(c) to discuss its business and affairs with its officers, auditors and its independent certified public accountants.

4.08 Insurance. The Borrower and each of the Significant Subsidiaries now maintains, and the Borrower will and will cause each of the Significant Subsidiaries to continue to maintain with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such liabilities, casualties, risks and contingencies and in such types and amounts as is customary in the case of corporations engaged in the same or similar business or having similar property and assets similarly situated, including without limitation, insurance with respect to fire, tornado, casualty, other hazards normally insured, liability on account of damages to Persons or property, products liability coverage, public liability, employee fidelity coverage, and worker's compensation, but in no event shall the foregoing provisions require the Borrower or any of the Significant Subsidiaries to maintain insurance coverage that is neither customary to Persons (or their operations) engaged in the same or similar businesses or operations or having property and assets similarly situated nor generally available to such businesses for comparable operations, nor, in the reasonable business judgment of the Borrower or any of the Significant Subsidiaries, prohibitive in expense and/or coverage requirements for its issuance; provided, however, in each of the foregoing instances in which insurance may not be in effect, the Borrower will and will cause each of the Significant Subsidiaries to take all reasonable steps, actions and precautions and, where appropriate, provide for such reserves and other contingencies, to minimize the effect of

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any casualty, liability or property loss that could foreseeably occur or result therefrom, which would be of any material consequence; and the Borrower and each or any of the Significant Subsidiaries (as the Agent may request) will within 60 days after the end of each fiscal year of the Borrower, furnish or cause to be furnished to the Agent from time to time a summary of the insurance coverage of the Borrower or any of the Significant Subsidiaries in form, substance and detail reasonably satisfactory to the Agent and, upon request by the Agent, copies of applicable policies, together with evidence of the payment of all premiums therefor.

4.09 Payment of Fees. Borrower will pay to the Agent on a timely basis all Facility Fees, Commitment Fees and other fees required hereunder.

4.10 Cash Management. In connection with the Loans, Borrower will and will cause the Significant Subsidiaries, which generate Eligible Accounts constituting a part of the Borrowing Base, other than Foreign Subsidiaries, doing business in the United States to use the lockbox facilities of Agent, to which Borrower and such Subsidiaries will deposit and maintain all proceeds of their respective accounts.

4.11 Guarantees and Notes. If, at any time after the date hereof, there exists any Significant Subsidiary (i) that is not a Foreign Subsidiary, then the Borrower shall cause each such Person (except for Triton) to execute and deliver to the Agent (a) a guaranty in the form of the Guaranty and (b) a written opinion of counsel for each such Subsidiary in form and substance satisfactory to the Agent and its counsel, and (ii) that is also a Foreign Subsidiary, such Foreign Subsidiary (except for Noble Drilling (Canada) Ltd.) shall execute and deliver to Agent (a) an Intercompany Revolving Credit Note to evidence loans made by Borrower thereto

from time to time, and (b) a written opinion of counsel for each such Subsidiary in form and substance satisfactory to the Agent and its counsel.

ARTICLE V -- NEGATIVE COVENANTS

So long as any of the Notes remains unpaid, any Letters of Credit remain outstanding or the Banks have any commitment to make any Loans, or any Obligations hereunder or in connection herewith remain unpaid, the Borrower covenants with the Banks:

5.01 Limitations on Funded Debt. The Borrower will not, and will not permit any of its Subsidiaries (other than a Non- Recourse Subsidiary), to, directly or indirectly, create, incur, assume, suffer to exist, guarantee or in any manner become or be liable for or permit to be outstanding any Funded Debt, unless (i) no Event of Default has occurred and is continuing, and (ii) immediately after the date of such transaction and after giving effect to the creation, incurrence, assumption, existence or guaranty thereof or liability therefor, (a) no Event of Default would arise as a result of such creation, incurrence, assumption, existence or guaranty, and (b) without limiting the generality of the foregoing, no violation of Section 5.07 hereof exists or would result therefrom.

5.02 Limitations on Liens. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Liens on or with respect to any Property of the Borrower or such Subsidiary or any interest therein or any income or profits therefrom, whether owned at the date hereof or hereafter acquired, other than Permitted Liens.

5.03 Restricted Payments. (a) The Borrower will not, and will not permit any of its Subsidiaries to, make any Restricted Payment if at the time thereof, and after giving effect thereto (the amount of any such payment to be made other than in cash to be determined by the board of directors of the Person making such payment, which determination shall be conclusive and evidenced by resolutions of such board of directors), (i) any Event of Default shall have occurred and be continuing or would result therefrom, (ii) the incurrence of at least $1.00 of additional Funded Debt would not be permitted under Section 5.01 hereof, and (iii) the effectuation of the Restricted Payment would, after giving effect to such Restricted Payment, violate Section 5.06 hereof.

(b) The provisions of this Section 5.03 shall not prevent the Borrower or any Subsidiary from paying a dividend on the capital stock thereof within 60 days after the declaration thereof if, on the date of declaration, the Borrower or such Subsidiary could have paid such dividend in compliance with the other provisions of this Section 5.03 and the other provisions of this

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Agreement.

5.04 ERISA Limits. The Borrower will not at any time permit any Plan to:

(a) engage in any "prohibited transaction" as such term is defined in Section 4975 of the Internal Revenue Code of 1986, as amended, involving any amount in excess of $250,000;

(b) incur any "accumulated funding deficiency" as such term is defined in Section 302 of ERISA; or

(c) terminate any such Plan in a manner which could result in the imposition of a Lien on the property of any of the Borrower or any of the Significant Subsidiaries pursuant to Section 4068 of ERISA.

Furthermore, Borrower will not and will not permit any of the Significant Subsidiaries to participate in or become obligated to contribute to any Multiemployer Plan.

5.05 Coverage Ratios. (a) The Borrower will not as of the last day of each (three month) fiscal quarter of the Borrower permit the Borrower's Special Purpose Fixed Charge Coverage Ratio to be less than 1.1 to 1.0; provided, however, that for each of the Borrower's (three month) fiscal quarters ended June 30, 1994, and September 30, 1994, Consolidated EBITDA and Special Purpose Fixed Charges shall be calculated based solely on the cumulative financial information for the Borrower's 1994 fiscal quarters then ended, without regard to and as if there were no business, financial information or results of operations for the Borrower for 1993.

(b) The Borrower will not as of the last day of each (three month) fiscal quarter of the Borrower permit the Borrower's Fixed Charge Coverage Ratio to be less than 1.75 to 1.0; provided, however, that for each of the Borrower's (three month) fiscal quarters ended June 30, 1994, and September 30, 1994, Consolidated EBITDA and Consolidated Fixed Charges shall be calculated based solely on the cumulative financial information for the Borrower's 1994 fiscal quarters then ended, without regard to and as if there were no business, financial information or results of operations for the Borrower for 1993.

5.06 Tangible Net Worth. The Borrower will not, as of the last day of each fiscal quarter of the Borrower, allow its Tangible Net Worth to be less than the sum of (i) $280,000,000, plus (ii) 50% of any positive Consolidated Net Income computed on a cumulative basis for the period beginning April 30, 1994 and ending on the last day of the fiscal quarter immediately preceding the date of any determination (no negative adjustment will be made in the event Consolidated Net Income is a deficit figure for any fiscal period) plus (iii) 85% of the aggregate amount of net noncash proceeds, and 100% of the net cash proceeds, to the Borrower from the issuance or sale after April 30, 1994, and determined as of the last day of each fiscal quarter subsequent to March 31, 1994, of (x) shares of common stock of the Borrower or warrants, rights or options to purchase or acquire shares, of its common stock and (y) shares of Preferred Stock of the Borrower; provided, that the foregoing 85% rate shall increase to 100% at such time as the aggregate of all net noncash proceeds from the sale by

Borrower of its common stock, or warrants, rights or options to purchase or acquire such common stock, exceeds $300,000,000.

5.07 Leverage. The Borrower will not, as of the last day of each (three month) fiscal quarter thereof, allow its Debt to Capital Ratio to exceed .35.

5.08 Limitations on Investments. The Borrower will not and will not permit any of its Consolidated Subsidiaries to make nor permit to remain outstanding any Investments except for (i) Permitted Investments, and (ii) mergers and acquisitions permitted under Section 5.10 hereof.

5.09 Subsidiary Stock Issuances, Charter Documents and Business

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Termination.

(a) The Borrower will not permit any of the Significant Subsidiaries to issue, sell or commit to issue or sell any shares of its capital stock of any class, or other equity or investment security, except for qualifying shares issued to members of the boards of directors to satisfy a statutory qualification for service as a director.

(b) The Borrower will not and will not permit any of the Significant Subsidiaries to (i) amend or otherwise modify their respective corporate charters or otherwise change their respective corporate structures in any manner which will have a material adverse effect on their respective condition, financial or otherwise, or which will have a material adverse effect upon their respective abilities to perform, promptly and fully, their respective obligations hereunder or under any of the other Loan Documents, or (ii) take any action with a view toward its dissolution, liquidation or termination, or, in fact, dissolve, liquidate or terminate its existence.

5.10 Mergers and Acquisitions. The Borrower will not and will not permit any of the Significant Subsidiaries to, form a Subsidiary (except upon compliance with Section 4.11 hereof with respect to such newly formed Subsidiary), nor consolidate with or merge into, or acquire any Person (either all or substantially all of its assets or all of its capital stock) or permit any Person to consolidate with or merge into, or acquire it, unless, in regard to any and all of the foregoing and so long as no Default or Event of Default then exists, the Borrower is the surviving or acquiring party, as the case may be, or if a Significant Subsidiary is a party to such merger and the Borrower is not, then the Significant Subsidiary is the surviving or acquiring party, as the case may be, the Agent is promptly notified in writing, at least thirty days in advance, of such transaction, such transaction does not materially and adversely affect the condition, financial, business or otherwise, of the Borrower and the Significant Subsidiaries taken as a whole, and prior to any such transaction, the Borrower shall execute and cause to be executed such additional agreements or guaranties as the Agent may reasonably request to conform with the provisions hereof and the transactions contemplated under this Agreement and the other Loan Documents.

5.11 Changes in Accounting Methods. The Borrower will not, and will not permit any of its Consolidated Subsidiaries to, make any material change in their respective present accounting methods, including, without limiting the generality of the foregoing, any change which could affect the calculation of any financial covenants or terms herein including the Fixed Charge Coverage Ratio, the Tangible Net Worth, the Special Purpose Fixed Charge Coverage

Ratio and the Debt to Capital Ratio, or change its fiscal year ending date from December 31, unless such changes are required for conformity with GAAP or by Regulation S-X as promulgated by the Securities and Exchange Commission and, in such event, the Borrower will give prior written notice of each such change to the Agent.

5.12 Changes in Business or Assets. The Borrower will not and will not permit any of the Significant Subsidiaries to engage in, or use any of their respective properties in, any business other than (i) all aspects of domestic and international offshore contract oil and gas drilling, including without limitation, consulting, managing, well-site supervising, turnkey drilling services, production management services, remote logistics, engineering services and the ownership and operation of drilling facilities and equipment, (ii) the ownership of interests in oil and gas properties, provided that such ownership shall not constitute a significant part of the total assets of Borrower and its Consolidated Subsidiaries taken as a whole, (iii) the manufacture and sale or lease of drilling rigs to the energy industry, (iv) the ownership and acquisition of properties or businesses in connection with the foregoing and (v) any of their or their Subsidiaries' respective businesses as now conducted, or the use of any of their or their Subsidiaries' respective properties as now used.

5.13 Discounting of Receivables. The Borrower will not and will not permit the Significant Subsidiaries, except to minimize losses or bona fide debts previously contracted, to grant liens upon or security interests in, or to discount or sell with recourse, or sell for less than the greater of the face or market value thereof, a portion of its notes receivable, accounts receivable, contract receivables or any other receivables owed to it.

5.14 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or

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permit to exist any transaction or series of related transactions (including, but not limited to, the purchase, sale, lease or exchange of property or assets, the making of any Investment, the giving of any guarantee or the rendering of any service) with any Affiliate of the Borrower other than the Borrower or a Wholly-Owned Subsidiary, unless such transaction or series of related transactions is on terms no less favorable to the Borrower or such Subsidiary than those that could be obtained in a comparable arm's length transaction with a Person that is not such an Affiliate.

5.15 Limitation on Subsidiary Indebtedness and Preferred Stock. The Borrower will not permit any Subsidiary thereof to, directly or indirectly, create, incur, assume, guarantee or otherwise become liable with respect to the payment of (collectively, "incur"), any Indebtedness or to issue or suffer to exist any Preferred Stock, other than:

(i) Permitted Subsidiary Indebtedness;

(ii) Indebtedness of a Subsidiary of Borrower which represents the assumption by such Subsidiary of Indebtedness (other than Non-Recourse Indebtedness) of another Subsidiary of Borrower in connection with a merger of such Subsidiaries, provided that no Subsidiary of Borrower or any successor (by way of merger) thereto existing on June 16, 1994, shall assume or otherwise incur any Indebtedness of an entity which is

not a Subsidiary of Borrower on June 16, 1994, except to the extent that such Subsidiary would be permitted to incur such Indebtedness under this Agreement;

(iii) Indebtedness or Preferred Stock of any Person existing at the time such Person becomes a Subsidiary of Borrower; provided, that such Indebtedness was not incurred in anticipation of such corporation becoming a Subsidiary of Borrower and would otherwise be permitted pursuant to Section 5.05 or Section 5.07;

(iv) Indebtedness or Preferred Stock issued to and held by the Borrower or a Wholly-Owned Subsidiary other than a Non-Recourse Subsidiary, so long as the transfer of such Indebtedness or Preferred Stock to a Person other than the Borrower or any Wholly-Owned Subsidiary would be deemed to constitute the issuance of such Indebtedness or Preferred Stock by the issuer thereof;

(v) Indebtedness or Preferred Stock issued in exchange for, or the proceeds of which are used to refinance, repurchase or redeem, Indebtedness or Preferred Stock described in clause (iii) of this Section 5.15 or securing Indebtedness outstanding under the Indenture (the "Retired Indebtedness or Stock"), provided that the Indebtedness or the Preferred Stock so issued has (A) a principal amount or liquidation value, as the case may be, not in excess of the principal amount or liquidation value of the Retired Indebtedness or Stock, (B) a final redemption date later than the stated maturity or final redemption date (if any) of the Retired Indebtedness or Stock and (C) an Average Life at the time of issuance of such Indebtedness or Preferred Stock that is greater than the Average Life of the Retired Indebtedness or Stock; or

(vi) Indebtedness or preferred stock of a Subsidiary of Borrower, which, when combined with (A) the aggregate amount of all other outstanding Indebtedness of the Subsidiaries of Borrower plus the aggregate liquidation value of all preferred stock of any Subsidiary of Borrower, in either case excluding any Non-Recourse Subsidiary (other than Indebtedness secured by Liens described under clause (ix) and (xvii) of the definition of "Permitted Liens"),plus (B) the aggregate amount of all Indebtedness of the Borrower secured by Liens (other than of the type described in clauses (ix), (xiv) and (xvii) of the definition of "Permitted Liens"),plus (C) the aggregate amount of all Capital Lease Obligations of the Borrower and its Subsidiaries shall not exceed 10% of the Borrower's Consolidated Net Tangible Assets.

"Indenture" means the Indenture dated as of October 1, 1993, between the Borrower and Texas Commerce Bank National Association as trustee, and covering the 9 1/4% Senior Notes due 2003.

5.16 Loan Proceeds. The Borrower will not lend or advance any proceeds of any Loan hereunder to any Subsidiary thereof which has neither

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executed the Guaranty nor an Intercompany Revolving Credit Note which has been pledged and delivered to the Agent for the benefit of the Banks.

5.17 Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly, create, enter into any agreement with any Person, or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction which by its terms expressly restricts the ability of any Subsidiary to (i) pay dividends, in cash or otherwise, or make any other distributions on its capital stock, (ii) pay any Indebtedness owed to the Borrower or any Subsidiary, (iii) make loans or advances to the Borrower or any Subsidiary or (iv) transfer any of its Property or any assets to the Borrower or any Subsidiary, except encumbrances or restrictions contained in any agreement or instrument (a) existing on the date hereof and listed on Schedule 5.17; (b) relating to any property acquired by the Borrower or any of its Subsidiaries after the date hereof, provided that such encumbrance or restriction relates only to the property which is acquired; (c) relating to any Funded Debt of any Subsidiary at the date of acquisition of such Subsidiary by the Borrower or any Subsidiary of the

Borrower; provided that such Funded Debt was not incurred in connection with or anticipation of such acquisition; (d) arising pursuant to an agreement effecting a refinancing of Funded Debt issued pursuant to an agreement referred to in the foregoing clauses (a) through (c), so long as the encumbrances and restrictions contained in any such refinancing agreement are no more restrictive than the encumbrances and restrictions contained in such agreements; (e) which constitute customary provisions restricting subletting or assignment of any lease of the Borrower or any Subsidiary or provisions in agreements that restrict the assignment of such agreement or any rights thereunder; or (f) which constitute restrictions on the sale or other disposition of any property securing Indebtedness as a result of a Permitted Lien on such Property.

5.18 Limitation on Asset Sales. The Borrower shall not engage in, and shall not permit any Subsidiary (other than a Non-Recourse Subsidiary) to engage in, any Asset Sale unless:

(i) except in the case of an Asset Sale resulting from the requisition of title to, seizure or forfeiture of any Property or assets or any actual or constructive total loss or an agreed or compromised total loss, the consideration received by the Borrower or such Subsidiary for such Asset Sale at the time thereof is at least equal to the Fair Market Value of the property; and

(ii) the Net Available Proceeds of an Asset Sale engaged in by such Person are applied to the acquisition of one or more Replacement Assets within 270 days after the related Asset Sale, provided that no Asset Sale or Asset Sales shall be permitted, and the occurrence of any such Asset Sale or Asset Sales shall constitute a breach of this Section 5.18, if the Excess Proceeds from all Asset Sales exceeds $15,000,000 on the 271st day after the related Asset Sale.

5.19 Limitation on Sale and Lease-Back Transactions. The Borrower will not, and will not permit any Subsidiary (other than a Non-Recourse Subsidiary) to, directly or indirectly, enter into, assume, guarantee or otherwise become liable with respect to any Sale and Lease-Back Transaction if the lease obligations of the Borrower or any such Subsidiary created or incurred in connection with such Sale and Lease-Back Transaction constitute Capital Lease Obligations, unless such Sale and Lease-Back Transaction would not result in an Event of Default arising hereunder, including without limiting the generality of the foregoing, under Sections 5.05 or 5.07 hereof. Any Sale and Lease-Back Transaction that the Borrower or any Subsidiary enters into that does not result in the creation or incurrence of any Capital Lease Obligation of the Borrower or any Subsidiary, shall be deemed to constitute an Asset Sale.

ARTICLE VI -- DEFAULTS AND REMEDIES

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6.01 Events of Default. If any of the following events shall occur and be continuing (each an "Event of Default"):

(a) The Borrower shall fail to pay or prepay any principal of or interest on any of the Notes as and when due, or the Borrower or any of the Significant Subsidiaries shall fail to pay

any other Obligation hereunder or under any other Loan Document within three days of the date when due; or

(b)(i) Any representation or warranty made by the Borrower herein or by any of the Significant Subsidiaries in any other Loan Document to which the Borrower or any of the Significant Subsidiaries, is a party, shall prove to have been incorrect or untrue in any material respect as of the date hereof or thereof; or (ii) any representation, financial statement, report, certificate or written or electronic data furnished or made by or at the request of the Borrower or any of the Significant Subsidiaries (or any officer, accountant or attorney of the Borrower or any of the Significant Subsidiaries) hereunder or thereunder proves to have been incorrect, misleading or untrue in any material respect as of the date as of which the facts therein set forth were stated or certified, and 10 days shall have elapsed since the day that the Agent sent notice of such matter to the Borrower; or

(c) Default shall be made in the due observance or performance of, or compliance with, (i) any of the covenants or agreements contained in Article V hereof, (ii) the covenants in Section 4.01 hereof, and such default shall continue unremedied for a period of five days after such default becomes known to Borrower, (iii) any other covenants or agreements contained in this Agreement or in any of the other Loan Documents, and such default shall continue unremedied for a period of 30 days after such default becomes known to Borrower or (iv) the occurrence of any event or circumstance which constitutes an "event of default" under any of the other Loan Documents; or

(d) a Change of Control shall have occurred; or

(e) The Borrower or any of the Significant Subsidiaries shall (i) dissolve or terminate its existence (except for mergers of Significant Subsidiaries expressly permitted hereunder), or (ii) discontinue its usual business, or (iii) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or of all or a substantial part of its property, or (iv) generally fail to pay its debts as they come due in the ordinary course of business, or (v) commence, or file an answer admitting the material allegations of or consenting to, or default in a petition filed against it in, any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking to have an order for relief entered with respect to it under the Federal Bankruptcy Code, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other similar relief with respect to it or its debt; or

(f) A receiver, conservator, liquidator, custodian or trustee of the Borrower or any of its Subsidiaries or any of their respective properties is appointed by the order or decree of any court or agency or supervisory authority having jurisdiction, and such decree or order remains in effect for more than 60 days; or the Borrower or any of its Subsidiaries obtains an order for relief under the Federal Bankruptcy Code; or any of the property of the Borrower or any of its Subsidiaries is sequestered by court order and such order remains in effect for more than 60 days; or a petition is filed or a proceeding is commenced against the Borrower or any of its Subsidiaries under any bankruptcy, reorganization, arrangement, insolvency, readjustment of

debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing; or

(g) The occurrence of any event, circumstance or condition which would constitute a default for Borrower or any of its Subsidiaries of any agreement, contract, promissory note, bond, debenture, promissory note, loan agreement, indenture, other evidence of Indebtedness, lien instrument or the

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like to which the Borrower or any of its Subsidiaries is a party or by which any of its properties are subject and which evidences or relates to a Funded Debt or Funded Debts of the Borrower which Funded Debt, exceeds $5,000,000 for any single Indebtedness or in an aggregate amount in excess of $10,000,000 for all Indebtedness, whether or not a party thereto exercises any of its rights and remedies with respect to any such default; provided however, that an event of default under the NN-1 Rig Facility shall not constitute an Event of Default under this Subsection (g); or

(h) The levy or execution of any attachment, execution or other process against any material part of the properties or interests in property of the Borrower or any of the Significant Subsidiaries, which is not timely and completely stayed by appropriate proceedings and/or bonding requirements; or

(i) Any court shall find or rule, or the Borrower or any of the Significant Subsidiaries shall assert or claim, that this Agreement or any of the Loan Documents executed in connection herewith does not or will not constitute the legal, valid, binding and enforceable obligations of the party or parties (as applicable) thereto; or

(j) The entry by a court of competent jurisdiction of one or more judgments or orders against the Borrower or any Subsidiary in an uninsured or unindemnified aggregate amount in excess of $5,000,000 which remains undischarged or unsatisfied for a period of 30 consecutive days after the principal right to appeal therefrom has expired; or

(k) The Borrower or any of the Significant Subsidiaries shall have concealed, removed, or permitted to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or shall have made any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall have suffered or permitted, while Insolvent, any creditor to obtain a Lien upon any of its property through legal proceedings or distraint or other process which is not vacated within sixty days from the date thereof; or

(l) The destruction or occurrence of substantial damage to a material part of the properties or assets of the Borrower and the Significant Subsidiaries, taken as a whole, for which there is no or substantially no insurance coverage in respect of and/or for which no or substantially no insurance coverage will be paid in respect thereto; or

(m) With respect to any Plan as to which any of the Borrower or any other member of the Controlled Group may have a liability, (i) there shall exist a deficiency in excess of $1,000,000 in the Plan's assets available to satisfy the benefits guaranteeable under ERISA with

respect to such Plan, (a) steps are undertaken to terminate such Plan, (b) such Plan is terminated, or (c) any Reportable Event which presents a material risk of termination with respect to such Plan shall occur, or (ii) a failure to contribute funds occurs with respect to any Plan sufficient to give rise to a Lien under Section 302(f) of ERISA; or

(n) The Borrower or any of its Subsidiaries shall be required under any Environmental Law (i) to implement any remedial, neutralization, or stabilization process or program, the cost of which could reasonably be expected to result in or constitute a Material Adverse Effect on the Borrower and its Consolidated Subsidiaries taken as a whole, or (ii) to pay any penalty, fine or damages in an aggregate amount of $10,000,000 or more, for which there is no insurance coverage;

then the Agent, may, with the consent of the Determining Lenders, or shall, upon the direction of the Determining Lenders, declare the unpaid principal portion of the Obligations to be forthwith due and payable, whereupon the said portion of the Obligations and all other portions of the Obligations then accrued, earned and unpaid shall become immediately due and payable by the Borrower without demand, presentment for payment, notice of non-payment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity or any other notice of any kind to the Borrower or any of the Significant Subsidiaries, or any other Person liable thereon or with respect thereto, all of which are hereby expressly waived by the Borrower and each of the Significant Subsidiaries and each other Person liable thereon or with respect thereto, anything contained herein or in any of the other documents or instruments to the contrary notwithstanding; and upon the happening of any Event of Default referred to in Section 6.1(e) or Section

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6.1(f), the unpaid principal portion of the Obligations and all other portions of the Obligations then accrued, earned and unpaid shall become automatically due and payable by the Borrower without demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity or any other notice of any kind to the Borrower or any of the Significant Subsidiaries or any other Person liable thereon or with respect thereto, all of which are expressly waived by the Borrower and each of the Significant Subsidiaries and each other Person liable thereon or with respect thereto, anything contained herein or in any document or instrument to the contrary notwithstanding. Further, upon any Default or Event of Default, each of the Banks shall have all other rights and remedies as set forth herein and in the other Loan Documents and as otherwise provided at law or in equity, all such rights and remedies being cumulative, including, but without limitation, the right, without prior notice to the Borrower or any of the Significant Subsidiaries or any other Person liable with respect to the Obligations, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held or any other indebtedness at any time owing by any of the Banks to, or for the credit or account of, the Borrower or any of the Significant Subsidiaries against any indebtedness owed to the Banks by the Borrower or any Significant Subsidiary party to the Guaranty, irrespective of whether or not the Agent or such Banks shall have made demand under this Agreement or any other Loan Document; provided, that any exercise of said set-off by any Bank shall be subsequently followed by notice from such Bank to the Borrower of such right exercised, but the failure to give such notice shall in no manner affect the right of the Banks in respect to set-offs and corresponding applications of funds.

6.02 Cash Collateral Account. Without limiting its obligations under, or the terms and provisions of, Section 6.01 hereof, the Borrower hereby agrees that upon the occurrence and during the continuance of any Event of Default, the Borrower shall, upon demand by the Agent pay (in the case of any Event of Default specified in paragraph 6.01(e) or 6.01(f) hereof, forthwith, without any demand or the taking of any other action by the Banks) to the Agent for the benefit of the Banks an amount in immediately available funds equal to the then aggregate undrawn face amount of all Letters of Credit. All amounts received by the Agent pursuant to this Section 6.02 or pursuant to any required prepayment under Section 2.03 (and all investments of such amounts and earnings therein and proceeds thereof) shall be held by the Agent in a cash collateral account with the Agent entitled "the Noble Drilling Corporation Letter of Credit Cash Collateral Account" (the "Collateral Account") as collateral for the prompt payment and performance when due of all Letter of Credit Liabilities, and following the satisfaction of all Letter of Credit Liabilities, as additional collateral for all other Obligations. The balance in the Collateral Account from time to time (including all earnings thereon and proceeds thereof) shall be invested and reinvested by the Agent in the name of the Agent in interest bearing obligations (but maturing not later than 15 days after the date acquired) as the Borrower shall from time to time specify to the Agent, and the Borrower hereby authorizes and directs the Agent to collect and receive any earnings and proceeds of any such obligations and to credit the net amount of all such receipts to the Collateral Account. If and to the extent so requested by the Borrower from time to time, Agent will reduce the Collateral Account (and liquidate any investments therein to the extent necessary) in an amount equal to the lesser of (a) the excess, if any, of the then outstanding balance in the Collateral Account over the Total Letter of Credit Liabilities and (b) the minimum amount necessary to be held in the Collateral Account so that the Borrower will not be obligated because of Section 2.03 to make a Required Payment, and pay such amount to the Borrower, provided that no such reduction or payment shall be made if a Default has occurred and is continuing or would result therefrom. The proceeds of all dispositions or collections of collateral, in connection with the Agent's exercise on behalf of the Banks of their rights as a secured party or pursuant to the foregoing, will be applied to such of the Obligations, in such order and in such manner, and in all respects to such of the promissory notes and other Indebtedness constituting a part of the Obligations, as the Agent shall see fit and determine (with respect to the Borrower) in its sole and absolute discretion. At such time as no Default or Event of Default is continuing hereunder, the Agent shall, upon demand of the Borrower, return to the Borrower the proceeds of the Collateral Account not previously applied to the Obligations.

6.03 Additional Cross Default Provisions. The occurrence of a Default or an Event of Default under this Agreement, the Loan Documents, or any default under the terms of any security agreement, guaranty, agreement or instrument securing the Obligations will constitute an Event of Default hereunder.

ARTICLE VII -- TERMINATION OF LOANS

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Upon the occurrence of any Default and so long as such continues to exist, the Agent may, without prior notice to the Borrower or any of the Significant Subsidiaries or any other Person, terminate, temporarily or permanently as chosen by the Agent, (i) the Revolving Loan Commitment, (ii) the L/C Facility and any obligation of First Interstate (or any other Person hereunder) or commitment to issue Letters of Credit, and (iii) the obligations of the Banks to

advance any Loans or extend any other type of credit or financial accommodations hereunder, unless and until the Agent shall reinstate same (on additional conditions, if any, submitted by the Banks or the Determining Lenders, as may be required under Article IX hereof) in writing; provided, however, upon the occurrence of any Default referred to in Sections 6.01(e) or 6.01(f), or upon acceleration of the maturity of the Notes, (a) the Revolving Loan Commitment, (b) the L/C Facility and any obligation or commitment to issue Letters of Credit, and (c) any and all obligations of the Banks hereunder to make any Loans or extend any other type of credit or financial accommodations hereunder shall automatically be permanently terminated; provided further, however, notwithstanding any such termination of such obligation of the Banks, all covenants, agreements, obligations, liens and undertakings of each of the Borrower and the Significant Subsidiaries shall remain in full force and effect, except that, the Commitment Fee payable pursuant hereto shall not accrue during any period while the Revolving Loan Commitment has been terminated.

ARTICLE VIII -- CONDITIONS PRECEDENT

8.01 Conditions Precedent to Initial Loan. The obligation of First Interstate to issue the initial Letters of Credit and the obligation of the Banks to make the initial Loan hereunder, in addition to the matters set forth in Section 2.03 hereof, shall be subject to the completion of the following conditions precedent, which shall be completed to the reasonable satisfaction of the Agent:

(a) The Agent shall have received the Notes, and prior to the issuance of each Letter of Credit, an Application all duly executed and delivered by the Borrower.

(b) The Guaranty shall have been duly and validly executed and delivered to the Agent in form and substance reasonably satisfactory to the Agent.

(c) The Agent shall have received, certified by the Secretary of each of the Borrower, the Significant Subsidiaries signing the Guaranty and the Foreign Subsidiaries that are Significant Subsidiaries, with respect to each such Person, (i) copies of resolutions of its Board of Directors authorizing the creation, issuance, execution, delivery and performance of each of this Agreement, the Notes, the Applications and all other Loan Documents to which each is a party which resolutions shall recite, in part, that its Board of Directors found, in its judgment, that (A) adequate value and fair consideration was received by each such Person for entry into and performance of such agreements and (B) the incurrence of obligations evidenced by such agreements are in the best interest of each such Person and may be expected to benefit each such Person, directly or indirectly, (ii) certificate of incumbency of authorized representatives of each such Person, signed by the Secretary of each such Person, which certificate shall recite the names of the Persons authorized to execute and deliver each of this Agreement, the Notes and all other Loan Documents to which the Borrower and each of the Significant Subsidiaries is a party and to perform the obligations hereunder and thereunder, display specimen signatures of such Persons, and state that the Agent and the Banks may conclusively rely on such certificate until it shall receive and has had reasonable time to act upon subsequent certificates of the Secretary of each such Person, as applicable, amending the prior certificate and submitting the names and signatures of the Persons specified in such further certificate, and (iii) a copy of the

certificate of incorporation or articles of incorporation as may be appropriate and bylaws of each such Person, with all amendments as in force as of the date

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hereof.

(d) The Agent shall have received from Thompson & Knight, a Professional Corporation, legal counsel for the Borrower and each of the Significant Subsidiaries, a favorable written opinion, dated as of the date hereof and addressed to the Agent and to the Banks, in form, substance and scope satisfactory and acceptable to the Agent.

(e) The Agent shall have received from each of (i) the Borrower and the Significant Subsidiaries, certificates of existence and certificates of good standing issued from the respective jurisdictions of their incorporation, and (ii) with respect to the Borrower and each of the Significant Subsidiaries party to the Guaranty, certificates of good standing and authority to transact business as a foreign corporation from all jurisdictions wherever the ownership of their assets or the conduct of their business requires such qualification, in each case, issued as of the most recent date practicable except where the failure so to qualify would not have a Material Adverse Effect on such Person failing so to qualify.

(f) The Agent shall have received (i) a Loan Formula Certificate appropriately completed and duly executed by the Borrower as well as a summary aging report with respect to accounts receivable of the Borrower and the Significant Subsidiaries, both completed as of April 30, 1994, and (ii) those items of information listed in Section 4.01(d) hereof, containing information as of April 30, 1994.

(g) The Agent shall have received evidence satisfactory to it that all of the insurance requirements applicable to the Borrower, the Significant Subsidiaries and their businesses and properties as set forth in Section 4.08 hereof have been met.

(h) The Agent (i) shall have received for the Banks the Facility Fee provided for in Section 2.06(c), in immediately available funds and (ii) the Agent Fee.

(i) The Borrower shall have presented proof to the Agent that all revolving credit facilities for Funded Debt of the Borrower or its Subsidiaries except for Non-Recourse Subsidiaries have been terminated and repaid in full, except for Noble Drilling (Canada) Ltd.'s Canadian dollar credit facility providing for up to C$1,000,000 in revolving credit.

(j) The Agent shall have received all exhibits, annexes and schedules herein referenced and such additional reports, certificates, documents, statements, agreements and instruments, including without limitation the Security Agreement, in form and substance reasonably satisfactory to the Agent, as the Agent shall have reasonably requested from any of the Borrower, the Significant Subsidiaries and their counsel.

(k) The Borrower shall have executed and delivered to the Agent for the benefit of the Banks, such security agreements, financing statements and other lien instruments, as the Agent may require to obtain perfected first priority liens on Intercompany Revolving Credit Notes.

8.02 Conditions Precedent to Each Loan. At the time of the making by the Banks of each Loan or issuance by First Interstate of a Letter of Credit, including the initial Loan or Letter of Credit but not including continuations or conversions pursuant to Section 2.04 (before as well as after giving effect to such Loan and to the proposed use of proceeds thereof):

(a) Borrower shall have duly executed and delivered the Notes.

(b) There shall exist no Default or Event of Default.

(c) Except for facts timely disclosed to the Agent from time to time in writing, not materially more adverse to the Borrower and its Subsidiaries than those existing on the date of the initial Loan hereunder, all representations and warranties contained herein and in the other Loan Documents executed and delivered on or after the date hereof shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Loan.

(d) The Agent shall have received such other documents, including such other guaranties and Intercompany Revolving Credit Notes as may be required under Section 4.11 hereof, as Agent or any of the Banks or counsel to the Agent may reasonably request, all in form and substance satisfactory to the Agent.

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ARTICLE IX -- THE AGENT

9.01 Authorization and Action. (a) Each of the Banks hereby appoints and irrevocably authorizes Agent to take such action as Agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent by the terms of the Loan Documents, together with such powers as are reasonably incidental thereto. The Agent, its Affiliates and their respective officers, shareholders, directors, employees and agents shall not (i) have any duties or responsibilities except those expressly set forth in this Agreement and in the Loan Documents, and shall not by reason of this Agreement or any of the Loan Documents be a trustee for any of the Banks; (ii) be responsible to any of the Banks for any recitals, statements, representations or warranties contained in this Agreement, any of the Loan Documents or any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any of the other Loan Documents or for any failure by any Person to perform any of its obligations hereunder or thereunder; and shall have no duty to inquire or pass upon any of the foregoing matters; (iii) be required to initiate or conduct any litigation or collection proceedings hereunder or under any of the Loan Documents except to the extent requested by the Determining Lenders; (iv) be responsible for any mistake of law or fact or any action taken or permitted to be taken by it hereunder or under any of the Loan Documents or any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, including pursuant to its own negligence, except for its own gross negligence or willful misconduct; (v) be bound by or obliged to recognize any agreement among or between the Borrower and any one or more of the Banks (other than this Agreement and the Loan Documents) regardless of whether the Agent has knowledge of the existence of any such Agreement or the terms and provisions thereof; (vi) be charged with notice or knowledge of any fact or information not herein set out or provided to the Agent in

accordance with the terms of this Agreement or any of the Loan Documents; (vii) be responsible for any delay, error, omission or default of any third party mail, telegraph, telecopy or operator; or (viii) be responsible for the edicts or acts of any Governmental Authority. The Agent may employ agents and attorneys in fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys in fact selected by it with reasonable care. As to any matters not expressly provided for by this Agreement and the other Loan Documents (including without limitation enforcement or collection of the Notes), Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of Determining Lenders (or all of the Banks, if required under Section 9.01(b) hereof) and such instructions shall be binding upon all of the Banks; provided, however, that Agent shall not be required to take any action which may subject Agent to personal liability or which is contrary to any Loan Document or applicable law. Agent agrees to give to each of the Banks notice of each notice given to it by the Borrower pursuant to the terms of this Agreement, and to distribute to each of the Banks in like funds all amounts delivered to Agent by the Borrower for the ratable benefit of each in accordance with the Specified Percentage of each such Bank, except that funds provided by the Borrower pursuant to Section 6.02 hereof to collateralize the Letter of Credit Liabilities shall be held by Agent in accordance with Section 6.02 hereof.

(b) Upon any occasion requiring or permitting an approval, consent, waiver, election or other action on the part the Determining Lenders, action shall be taken by the Agent for and on behalf of, or for the benefit of all Banks, upon the direction of the Determining Lenders, and any such action shall be binding on all Banks. Unless all Banks agree in writing, no amendment, modification, consent or waiver shall be effective which

(i) increases the amount of the Loans or the availability of Letters of Credit, or increases the Commitment or Specified Percentage of any Bank;

(ii) reduces the interest, principal or commitment fees owing hereunder or under the Notes;

(iii) extends the fixed date on which any sum is due hereunder or under the Notes;

(iv) waives an Event of Default arising from a failure to pay principal or interest on a Loan within the applicable grace period, if any;

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(v) changes the provisions of this Section 9.01; or

(vi) releases in whole or in part any Guaranty or any collateral, if any, securing the obligations arising hereunder.

9.02 Agent's Reliance, Etc. Neither Agent, nor any of its directors, officers, agents, employees, or representatives shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Loan Documents, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the

foregoing, Agent (a) may treat the payee of any Note as the holder thereof until Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to Agent; (b) may consult with legal counsel (including counsel for Borrower or any of its Subsidiaries), independent public accountants, and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, or experts; (c) makes no warranty or representation to any of the Banks and shall not be responsible to any of the Banks for any statements, warranties, or representations made in or in connection with this Agreement or any other Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Loan Documents on the part of Borrower or its Subsidiaries or to inspect the Properties (including the books and records) of Borrower or its Subsidiaries; (e) shall not be responsible to any of the Banks for the due execution, legality, validity, enforceability, genuineness, sufficiency, or value of this Agreement, any other Loan Documents, or any other instrument or document furnished pursuant hereto or thereto; and (f) shall incur no liability under or in respect of this Agreement or any other Loan Documents by acting upon any notice, consent, certificate, or other instrument or writing (which may be by telegram, cable, telex, or telecopy) believed by it to be genuine and signed or sent by the proper party or parties.

9.03 First Interstate Bank and Affiliates. With respect to its Commitment, its Advances, and any Loan Documents, First Interstate shall have the same rights under this Agreement and the other Loan Documents as any other of the Banks and may exercise the same as though it were not Agent. First Interstate and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, any of the Borrower or its Affiliates, any Affiliate thereof, and any Person who may do business therewith, all as if First Interstate were not Agent and without any duty to account therefor to any of the Banks.

9.04 Lender Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon Agent or any other of the Banks, and based on the financial statements referred to in Section 3.09 hereof or financial statements (in the case of assignees after the date hereof) delivered subsequent to the date hereof, and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Bank also acknowledges that it will, independently and without reliance upon Agent or any other of the Banks and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

9.05 Indemnification by Lenders. Each of the Banks severally, and not jointly, agrees to indemnify and hold harmless Agent, in accordance with the Specified Percentage of each and to the extent not reimbursed by the Borrower, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Agent in any way relating to or arising out of any Loan Documents or any action taken or omitted by Agent thereunder, including any negligence of Agent; provided, however, that none of the Banks shall be liable for any portion of such liabilities, obligations,

losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from Agent's gross negligence or willful misconduct.

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Without limitation of the foregoing, each of the Banks agrees, severally and not jointly, to reimburse Agent, based on its Specified Percentage of the total obligation, promptly upon demand for any out-of-pocket expenses (including attorneys' fees) incurred or accrued by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiation, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, the Loan Documents. The indemnity provided in this Section 9.05 shall survive the termination of this Agreement.

9.06 Successor Agent. Agent may resign at any time by giving written notice thereof to each of the Banks and to the Borrower, and may be removed at any time with or without cause by the action of the Determining Lenders. Upon any such resignation or removal, Determining Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed and shall have accepted such appointment within 30 days after a retiring Agent's giving of notice of resignation or within 30 days after notice to a removed Agent of such removal, then the retiring or removed Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State of the United States of America and having a combined capital and surplus of at least $50,000,000 and not in receivership or conservatorship. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring or removed Agent, and the retiring or removed Agent shall be discharged from its duties and obligations under the Loan Documents, provided that if the retiring or removed Agent is unable to appoint a successor Agent, Agent shall, after the expiration of a 60 day period from the date of notice, be relieved of all obligations as Agent hereunder. Notwithstanding any Agent's resignation or removal hereunder, the provisions of this Article shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

9.07 Sharing of Payments. If any of the Banks shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of its Advances in excess of its Pro Rata Share of payments made by Borrower, such Bank shall forthwith purchase participations in Advances made by the other Lenders as shall be necessary to share the excess payment pro rata with each of them; provided, however, that if any of such excess payment is thereafter recovered from the purchasing Bank, its purchase from each Bank shall be rescinded and each Bank shall repay the purchase price to the extent of such recovery together with a Pro Rata Share of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. Borrower agrees that any Bank so purchasing a participation from another Bank pursuant to this Section 9.07 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of Borrower in the amount of such participation.

9.08 Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, each of the Banks is hereby authorized at any time and from time to time, to the

fullest extent permitted by law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of Borrower against any and all of the obligations of Borrower now or hereafter existing under this Agreement and the other Loan Documents, whether or not the Agent or any of the Banks shall have made any demand under this Agreement or the other Loan Documents. Each of the Banks shall promptly notify Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 9.08 are in addition to other rights (including, without limitation, other rights of set-off) which each of the Banks may have.

ARTICLE X -- MISCELLANEOUS

10.01 No Waivers Except by Writing; Governing Law. No failure or delay on the part of the Agent in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or powers preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by the Borrower, the Significant

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Subsidiaries or any other Person thereof shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose of which given. Notwithstanding the foregoing, Article IX may be amended at any time, in whole or in part, by written agreement of the Determining Lenders alone (except that Section 9.01(b) may be amended only by unanimous written consent of all of the Banks), and no consent of the Borrower shall be required to effectuate any such amendment of Article IX. No notice to or demand on the Borrower, the Significant Subsidiaries or any other Person in any case shall entitle the Borrower, the Significant Subsidiaries or such other Person to any other or further notice or demand in similar or other circumstances. This Agreement and the other Loan Documents shall be deemed to be contracts under the internal laws of the State of Texas and for all purposes shall be construed and enforced in accordance with the laws of the State of Texas, and, to the extent applicable, the laws of the United States of America.

10.02 Usury Laws. It is the intent of the Banks, the Borrower and each of the Significant Subsidiaries in the execution and performance of this Agreement, the Notes and the other Loan Documents to which each is a party to remain in strict compliance with all Applicable Law, from time to time in effect, including, without limitation, usury laws. In furtherance thereof, the Banks, the Borrower and each of the Significant Subsidiaries party hereto stipulate and agree that none of the terms and provisions contained in this Agreement, the Notes, the Applications or any of the other Loan Documents shall ever be construed to create a contract to pay, for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate.

Neither the Borrower, the Significant Subsidiaries nor any other Person obligated hereon or in respect hereto shall ever be required to pay unearned interest on any Loan or on any other extension of credit or on any other indebtedness owed to the Banks, or to pay interest on any

such amounts at a rate in excess of the Maximum Rate, or in an amount in excess of the maximum amount of interest permitted to be charged under Applicable Law, and the provisions of this Section 10.02 shall control over all other provisions of this Agreement, the Applications, the Notes and the other Loan Documents which may be in apparent conflict herewith. For purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under Applicable Law that are contracted for, charged, reserved, received or paid under the Notes, this Agreement or any of the Loan Documents. If the maturity of any Loan or any other extension of credit or other indebtedness owed by the Borrower hereunder or under any of the other Loan Documents is prepaid or accelerated for any reason, or if under any other contingency, the effective rate or amount of interest which would otherwise be payable under this Agreement, the Notes or any of the other Loan Documents, would exceed the Maximum Rate or maximum amount of interest that the Banks or any of their respective successors or assigns is allowed by Applicable Law to charge, contract for, take or receive, or in the event the Bank or any of its successors or assigns shall charge, contract for, take, reserve or receive monies that are deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under this Agreement, the Notes or any of the other Loan Documents to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under the Applicable Law then in effect, then the principal amount of the Notes or other extension of credit or other indebtedness, or the amount of interest which would otherwise be payable thereunder, shall be reduced to the amount allowed under said laws as now or hereafter construed by the courts having jurisdiction, and all such monies so charged, contracted for, taken, reserved or received that are deemed to constitute interest in excess of the Maximum Rate or maximum amount of interest permitted by Applicable Law shall be immediately returned to or credited to the account of the Borrower or other paying Person upon such determination. Borrower and the Banks further stipulate and agree that, without limitation of the foregoing, all calculations of the rate or amount of interest contracted for, charged, taken, reserved or received under this Agreement, the Notes or any of the other Loan Documents which are made for the purpose of determining whether such rate or amount exceeds the Maximum Rate or the maximum amount of interest under Applicable Law, shall be made, to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading during the period of the full stated term of the Notes or other extension of credit, all interest at any time contracted for, charged, taken, reserved or received from the Borrower or otherwise by the Banks.

10.03 Notice. All notices required or made hereunder shall be deemed to have been given (i) five Business Days after being deposited in the United States mail (certified, return receipt requested) or (ii) one Business

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Day after being sent by telecopy to any party hereto at its address and telecopy number given below, or at any other address of which it shall have notified the other party hereto in writing. All notices, requests and demands shall be given to or made upon the respective parties hereto as follows:

If to Borrower or to any of its Subsidiaries:	Noble Drilling Corporation 10370 Richmond Avenue, Suite 400 Houston, TX 77042 Telecopy No. (713) 974-3181 Attention: Byron L. Welliver Sr. Vice President -- Finance and Treasurer
With a copy to:	Thompson & Knight, a Professional Corporation 1700 Pacific Avenue, Suite 3300 Dallas, TX 75201 Telecopy No. (214) 969-1751 Attention: Robert D. Campbell, Esq.
If to Agent or First Interstate:	First Interstate Bank of Texas, National Association 1000 Louisiana, 3rd Floor Houston, TX 77002 Telecopy No. (713) 250-7029 Attention: Carol Birkofer Assistant Vice President
With a copy to:	Fulbright & Jaworski L.L.P. 1301 McKinney, Suite 5100 Houston, TX 77010-3095 Telecopy No. (713) 651-5246 Attention: Joshua P. Agrons, Esq.

But actual notice to any party hereto, however given or received, shall always be effective. So long as no Event of Default is continuing, copies of information required under Section 4.01 hereof, Loan Request Forms and documents related to routine borrowing activities need not be provided to the legal counsels listed above.

10.04 Waivers of Certain Rights. (a) Each of the Borrower, the Significant Subsidiaries and all sureties, endorsers and guarantors of any of the Obligations specifically waives any notice of the creation, advancement, increase, existence, extension or renewal of, or indulgence with respect to, the Obligations or any part thereof, and of non-payment thereof, or default thereon, and waives demand, notice of demand, notice of protest, protest, presentment for payment, presentment, notice of intent to accelerate maturity, notice of acceleration and any and all other notices with respect to the Obligations, and waives notice of the amount of the Obligations outstanding at any time, and agrees that the maturity of the Obligations, and any part thereof, may be accelerated by the Banks in their sole discretion without notice to, or consent by, the Borrower, the Significant Subsidiaries or any other Person, and may be extended or renewed by the Banks as may be agreed by the Borrower and the Banks without notice to, or consent by, any Persons other than the Borrower. The Borrower and each such other Person agree that no renewal, increase or extension of, or any indulgence with respect to, the Obligations or

any part thereof, no release, substitution or exchange of any security for the Obligations, or any part hereof, no release of any Person primarily or secondarily liable on the Obligations or any part thereof, no delay in the enforcement of payment of the Obligations or any part thereof, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security thereof or guaranty therefor in connection with the Obligations shall in any manner impair, affect or prejudice the rights of the Banks hereunder, in connection herewith or in respect to any Note or Loan Documents executed by the Borrower or any other Person in favor of the Banks. The Borrower and each such other Person specifically agree it shall not be necessary or required, and that neither the Borrower nor any other Person shall be entitled to require, that the Agent or the Banks file suit or

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proceed to obtain or assert a claim for personal judgment against any Person (including the Borrower) or that the Agent or the Banks proceed against or foreclose against or seek to realize upon any of the security now or hereafter existing for the Obligations or file suit or proceed to obtain or assert a claim for personal judgment against any other party obligated on the Obligations before, or as a condition of, or any time after enforcing the liability of the Borrower or any other Person on the Obligations, or foreclosing upon or otherwise selling or disposing or utilizing any collateral for the purpose of paying the Obligations or by any part thereof. The Borrower and each such other Person expressly waives any right to the benefit of, or to require or control applications of any security or the proceeds of any security now existing or hereafter obtained by the Banks as security for the Obligations, or any part thereof, and agrees that the Banks shall have no duty or obligation insofar as the Borrower or such other Person is concerned to apply upon the Obligations, any monies, payments or other property any time received by or paid to the Agent or the Banks, except as the Banks shall determine in their sole discretion or as the Banks otherwise may be obligated pursuant to the terms of this Agreement.

(b) To the maximum extent not prohibited by applicable law from time to time in effect, Borrower hereby knowingly, voluntarily and intentionally (and after Borrower has consulted with its own attorney) irrevocably and unconditionally waives the provisions of the Texas Deceptive Trade Practices-Consumer Protection Act (Texas Business and Commerce Code, Chapter 17, Subtitle E, Sections 17.41-17.63).

(c) THIS AGREEMENT, TOGETHER WITH THE OTHER WRITTEN DOCUMENTS REQUIRED BY SECTION 8 HEREOF, REPRESENTS AND CONSTITUTES THE FINAL AGREEMENT BY AND AMONG THE BORROWER, THE AGENT AND THE BANKS AND MAY NOT BE ALTERED, MODIFIED OR CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE BORROWER WITH THE AGENT OR THE BANKS. THERE ARE NO WRITTEN OR ORAL AGREEMENTS OR COMMITMENTS AMONG THE BORROWER, THE AGENT AND THE BANKS. THIS PROVISION SHALL CONSTITUTE NOTICE TO THE BORROWER UNDER SECTION 26.02 OF THE TEXAS BUSINESS & COMMERCE CODE OF THE PROVISIONS THEREOF AND HEREOF.

10.05 Severability of Provisions. Any provision of this Agreement, or any other Loan Document, or any portion or portions of such provisions, held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Agreement or any of the other Loan Documents, but the effect thereof shall be confined to such provision or the portion or portions thereof so held to be invalid, illegal or ineffective.

10.06 Survival of Representations and Warranties; Unsatisfied Conditions. Except as otherwise expressly set forth herein, all representations and warranties of the Borrower herein shall survive the date of this Agreement and the making of each Loan hereunder. Except to the extent, if at all, expressly waived by the Agent, any condition precedent not timely performed by or on behalf of the Borrower prior to or at a corresponding borrowing date shall survive such date, unless otherwise expressly stated in this Agreement, and shall be deemed to constitute a covenant by the Borrower to accomplish such condition as promptly as possible. All payment obligations hereunder or referenced herein shall survive the termination of this Agreement.

10.07 Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that neither the Borrower, any Subsidiary thereof nor any Person acting on their behalf may assign any of their rights hereunder.

(b) Each of the Banks may, transfer and assign to one or more Eligible Assignees, all or a portion of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, provided, however, that (i) an Eligible Assignee must purchase and acquire in aggregate an interest of at least $10,000,000, (ii) the assignee shall pay to the Agent a processing recordation fee of $2,500.00, and (iii) the Borrower shall have consented to such assignment, such consent not to be unreasonably withheld. In no event shall any Bank own a Specified Percentage in excess of that owned by the Bank which serves as "Agent", without the prior written consent of the Borrower and all of the other Banks. Any such assignment shall become effective upon the recording by the Agent of such assignment in a register kept for such purposes by the Agent of the resultant effect thereof, and the principal amount outstanding of the Loans owed to the assignor and assignee, the Agent hereby agreeing to effect such recordation no later than five (5) Business Days after its receipt of an Assignment and Acceptance executed by all parties thereto. Promptly after receipt of an Assignment and Acceptance executed by all parties

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thereto, the Agent shall send to the Borrower a copy of such executed Assignment and Acceptance. Upon receipt of such executed Assignment and Acceptance, the Borrower will, at its own expense, execute and deliver new Notes to the assignor and/or assignee, as appropriate, in accordance with their respective interests as they appear on such register. Upon the effectiveness of any assignment pursuant to this subsection, the assignee shall be deemed automatically to have become a party hereto, if not already a party hereto, and shall become one of the "Banks", if not already one of the "Banks", for all purposes of this Agreement and the other Loan Documents. The assignor shall be relieved of its obligations hereunder to the extent of such assignment (and if the assigning Bank no longer holds any rights or obligations under this Agreement, such assigning Bank shall cease to be one of the "Banks" hereunder). The Agent will prepare on the last Business Day of each month during which an assignment has become effective pursuant to this subsection a new schedule giving effect to all such assignments effected during such month, and more promptly provide the same to the Borrower, and the Banks.

(c) Each of the Banks may transfer, grant or assign participations in all or any part of such Bank's interests hereunder pursuant to this subsection to any Person provided that (i) such Banks shall remain one of the "Banks" for all purposes of this Agreement and the transferee of such participation shall not constitute one of the "Banks" hereunder; (ii) no participant under

any such participation shall have rights to approve any amendment to or waiver this Agreement, the Notes or any of the Loan Documents except to the extent such amendment or waiver would (A) extend the Credit Maturity Date, (B) reduce the interest rate (other than as a result of waiving the applicability of any post fault increases and interest rates) or fees applicable to any of the Loans, Letters of Credit or commitments hereunder in which such participant is participating, or postpone the payment of any thereof, or (C) release all or substantially all of any collateral or guaranties supporting any of the Loans or Letters of Credit in which such participant is participating. In the case of any such participation, the participant shall not have any rights in this Agreement or any of the Loan Documents (the participant's rights against the granting Bank in respect of such participation to be those set forth in the agreement with such Bank creating such participation), and all amounts payable by the Borrower hereunder shall be determined as if such Bank had not sold such participation. Notwithstanding anything in this Section 10.07(c) to the contrary, the purchase by each of the Banks of a participation in the Letters of Credit and any subsequent assignment of all or any part of such Bank's Specified Percentage in any Letter of Credit and its related Letter of Credit liabilities pursuant to Section 10.07(b) shall not be considered a participation pursuant to this Section 10.07(c).

(d) Anything contained in this Section 10.07 to the contrary notwithstanding, no transfer or assignment of the interest or obligations of any of the Banks hereunder or grant of participations therein shall be permitted as such transfer, assignment or grant would require the Borrower or any guarantor party to the Guaranty to file a registration statement with the Securities and Exchange Commission or to qualify any of the Loans under the "Blue Sky" laws of any state.

(e) Each of the Banks initially part of this Agreement hereby represents, and each Person becomes one of the Banks pursuant to an assignment permitted hereunder will, upon its becoming a party to this Agreement represent that it is a Eligible Assignee, and that it will make or acquire Loans only for its own account in the ordinary course of its business; provided, however, that subject to the preceding subsections 10.07(b) through (d), the disposition of any promissory notes or other evidences of or interests in the Obligations held by such Banks shall at all times be within its exclusive control.

(f) The entries in the register described herein above shall be conclusive in the absence of manifest error and the Borrower, the Agent and the Bank issuing Letters of Credit may treat each person whose name is recorded in such register pursuant to the terms hereof as one of the Banks hereunder for all purposes of this Agreement and the other Loan Documents. Such register shall be available for inspection by the Borrower and any of the Banks at any reasonable time and from time to time upon reasonable prior notice.

10.08 Gender and Usage. As used herein and when required by the context, each number (singular and plural) shall include all numbers and each gender shall include all genders. The words "herein," "hereof," "hereby," "hereto," "hereunder" and words of similar import shall mean and refer to this Agreement rather than to any specified provision of this Agreement.

10.09 Multiple Counterparts. This Agreement may be executed in any

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number of counterparts, all of which, taken together, shall constitute one and the same instrument.

10.10 Notices Received by Lender. Any instrument in writing, telex, telegram, telecopy or cable received by the Agent in connection with any Loan hereunder, which purports to be dispatched or signed by or on behalf of the Borrower shall conclusively be deemed to have been signed by such party, and Agent and the Banks may rely thereon and shall have no obligation, duty or responsibility to determine the validity or genuineness thereof or authority of the Person or Persons executing or dispatching the same.

10.11 Debtor-Creditor Relationship. None of the terms of this Agreement or of any other Loan Document executed in conjunction herewith or related hereto shall be deemed to give the Agent or the Banks the rights or powers to exercise control over the business or affairs of the Borrower. The relationship between the Borrower and the Banks created by this Agreement is only that of debtor and creditor.

10.12 Agreement Controlling. To the extent that any provision of the Loan Documents (other than this Agreement) are expressly in direct conflict with the provisions of this Agreement, the provisions of this Agreement shall control and govern. In all other regards, all provisions of the Loan Documents are intended to be read and integrated in a harmonious and consistent manner, including defined terms herein and therein.

10.13 Integration. This Agreement, together with all other Loan Documents, embodies the entire agreement between the parties thereto relating to the subject matter hereof and thereof, and may be amended or supplemented only by an instrument in writing executed jointly by an authorized officer of each of the Borrower, the Determining Lenders or all Banks, as may be required hereunder, and the Agent.

10.14 WAIVER OF JURY TRIAL. THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ENFORCING OR DEFENDING ANY RIGHTS UNDER THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR RELATING THERETO. THE BORROWER ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION HAVE BEEN BARGAINED FOR AND THAT IT HAS BEEN REPRESENTED BY COUNSEL IN CONNECTION THEREWITH. THE BORROWER, THE BANKS AND THE AGENT ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE AGENT OR ANY OF THE BANKS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE BORROWER, THE AGENT AND THE BANKS ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN ITS RELATED FUTURE DEALINGS. THE BORROWER, THE AGENT AND THE BANKS FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY IS WAIVING ITS JURY TRIAL RIGHTS

FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOAN OR ANY LETTERS OF CREDIT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

10.15 Headings. All headings used herein are for the convenience of the parties only and shall not be used in construing the meaning or intent of the terms or provisions hereof.

10.16 Submission to Jurisdiction. To the extent not expressly prohibited by law from time to time in effect, the Borrower hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to any of this Agreement, the Notes and

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the Loan Documents or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of Harris County, Texas, the Courts of the United States of America for the Southern District of Texas, Houston Division and Appellate Courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that any such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Borrower at its address set forth in Section 10.03 hereof or at such other address of which Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall impair the right of the Bank to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

10.17 Additional Liens. In the event that an Event of Default has occurred and is continuing under this Agreement, the Borrower agrees that it shall, and it shall cause each of the Significant Subsidiaries to grant to the Agent for the benefit of each of the Banks, a security interest in all of the accounts and accounts receivable, and all proceeds of each of the foregoing, of each of such Persons and further agrees to execute and cause to be executed such financing statements as the Agent may require to perfect the security interest of the Agent for the benefit of each of the banks in all such jurisdictions (whether in the United States or abroad) as the

Agent may require; and (ii) the Agent is authorized to exercise absolute dominion and control over any and all lockbox or other controlled accounts containing proceeds of the accounts of the Borrower or any of its Subsidiaries, and to apply any such proceeds therein, as the Agent shall determine from time to time, toward payment of the Obligations, and to block access by the Borrower or any of its Subsidiaries to any of the proceeds in any such lockbox or other accounts, until all of the Obligations are fully and finally paid in full.

10.18 Bank Representations. Each of the Banks represents that it is either (i) a corporation organized under the laws of the United States of America or any state thereof or (ii) it is entitled to complete exemption from United States withholding tax imposed on or with respect to any payments, including fees, to be made to it pursuant to this Agreement (A) under applicable provisions of a tax convention to which the United States of America is a party or (B) because it is acting through a branch, agency or office in the United States of America and any payment to be received by it hereunder is effectively connected with a trade or business in the United States of America. Each of the Banks that is not a corporation organized under the laws of the United States of America or any state thereof agrees to provide to the Borrower and the Agent on the effective date of any sale of an interest in the Loans (the "Effective Date"), or on the date of its delivery of the Assignment and Acceptance pursuant to which it becomes one of the Banks, and at such other times as required by United States law or as the Borrower or the Agent shall reasonably request, two accurate and complete original signed copies of either (a) Internal Revenue Service Form 4224 (or successor form) certifying that all payments to be made to it hereunder will be effectively connected to a United States trade or business (the "Form 4224 Certification") or (B) Internal Revenue Service Form 1001 (or successor form) certifying that it is entitled to the benefit of a provision of a tax convention to which the United States of America is a party which completely exempts from United States withholding tax all payments to be made to it hereunder (the "Form 1001 Certification"). In addition, each Bank agrees that if it previously filed a Form 4224 Certification it will deliver to the Borrower and the Agent a new Form 4224 Certification prior to the first payment date occurring in each of its subsequent taxable years; and if it previously filed a Form 1001 Certification, it will deliver to the Borrower and the Agent a new certification prior to the first payment date falling in the third year following the previous filing of such certification. Each of the Banks also agrees to deliver to the Borrower and the Agent such other or supplemental forms as may at any time be required as a result of changes in applicable law or regulations in order to confirm or maintain in effect its entitlement to exemption from United States withholding tax on any payments hereunder, provided that the circumstances of the Banks at the relevant time and applicable laws permit it to do so. If one of the Banks

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determines, as a result of any change in either (i) applicable law, regulation or treaty, or in any official interpretation thereof or (ii) its circumstances, that it is unable to submit any form or certificate that it is obligated to submit pursuant to this Section, or that it is required to withdraw or cancel any such form or certificate previously submitted, it shall promptly notify the Borrower and the Agent of such fact. If any of the Banks are organized under the laws of a jurisdiction outside the United States of America, unless the Borrower and the Agent have received a Form 1001 Certification or Form 4224 Certification satisfactory to them indicating that all payments to be made to such Banks hereunder are not subject to United States withholding tax, the Borrower shall withhold taxes from such payments at the applicable statutory rate, provided that such withholding shall not increase the amount of payments for the account of such Banks to be made by the Borrower

pursuant to Subsection 2.18. Each of the Banks agrees to indemnify and hold harmless from any United States taxes, penalties, interest and other expenses, costs and losses incurred or payable by (i) the Agent as a result of such Bank's failure to submit any form or certificate that it is required to provide pursuant to this Section or (ii) the Borrower or the Agent as a result of their reliance on any such form or certificate which it has provided to them pursuant to this Section.

10.19 Indemnification. (a) In addition to any liability that the Borrower might otherwise have, the Borrower does hereby indemnify and agree to hold harmless the Agent, each of the Banks and their respective "controlling persons" (within the meaning of Section 20(a) of the Securities Exchange Act of 1934, as amended), officers, directors, shareholders, employees, agents, insurers and assigns from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or any of the Banks by reason of or in connection with (i) any actual or proposed use by the Borrower of the proceeds of any extension of credit by the Banks hereunder, (ii) the execution and delivery or transfer of, or payment under, any Letter of Credit, (iii) any of the Loan Documents or any action taken or omitted to be taken by Agent hereunder, and (iv) any investigation, litigation, or other proceeding (including any threatened investigation or proceeding) relating to the foregoing, and the Borrower shall reimburse the Agent and each of the Banks upon demand for any such expenses incurred in connection with any such investigation or proceeding; but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified.

(b) WITHOUT LIMITING ANY PROVISION OF THIS AGREEMENT, IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH PERSON TO BE INDEMNIFIED UNDER THIS SECTION 10.19 SHALL BE INDEMNIFIED AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS OR DAMAGES ARISING OUT OF OR RESULTING FROM THE SOLE OR CONTRIBUTORY ORDINARY NEGLIGENCE OR SUCH PERSON, BUT SUCH INDEMNITEE SHALL NOT BE INDEMNIFIED WITH RESPECT TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PERSON. Without prejudice to the survival of any other obligations of the Borrower hereunder and the Notes, the Obligations of the Borrower under this Section 10.19 shall survive the termination of this Agreement and the payment or assignment of any of the Notes.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

NOBLE DRILLING CORPORATION

By: /s/ BYRON L. WELLIVER

____

Byron L. Welliver, Sr. Vice President - Finance and Treasurer

AGENT:

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FIRST INTERSTATE BANK OF TEXAS, N. A.,
as Agent

By: /s/ CAROL D. BIRKOFER
____
Carol D. Birkofer, Assistant Vice President

Specified Percentage:
50% (resulting in a total
commitment of $15,000,000)

BANKS:

FIRST INTERSTATE BANK OF TEXAS, N. A.

By: /s/ CAROL D. BIRKOFER
____
Carol D. Birkofer, Assistant Vice President

Applicable Lending Office for Base Rate Advances

1000 Louisiana Street, 3rd Floor
Houston, Texas 77002
Telecopy No. (713) 250-7029

Applicable Lending Office for Eurodollar Advances

1000 Louisiana Street, 3rd Floor
Houston, Texas 77002
Telecopy No. (713) 250-7029

Specified Percentage:
50% (resulting in a total
commitment of $15,000,000)

CREDIT LYONNAIS CAYMAN ISLAND BRANCH

By: /s/ XAVIER RATOUIS
____
Print Name: Xavier Ratouis
Print Title: Authorized signature

Applicable Lending Office for Base Rate Advances

c/o Credit Lyonnais Houston Representative Office
1000 Louisiana, Suite 5360
Houston, Texas 77002

Applicable Lending Office for Eurodollar Advances

c/o Credit Lyonnais Houston Representative Office
1000 Louisiana, Suite 5360
Houston, Texas 77002

NOBLE DRILLING CORPORATION

SCHEDULE 1
LIENS IN EXISTENCE AT CLOSING DATE

LIENS IN FAVOR OF ROYAL BANK OF CANADA:

Noble Drilling (Canada) Ltd. -- U.S. $1,000,000 line of credit:

Following rigs:

Rig	Description
N134	Lee C. Moore/National 1320 UE

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GD501 Lee C. Moore/Gardner Denver GD500
GD502 Dreco/Gardner Denver GD500
E1501 Dreco/Continential Emsco C-1
E1502 Lee C. Moore/Continental Emsco C-1

Land and buildings in Nisku Industrial Park in Edmonton

Assignment of accounts receivable of Noble Drilling (Canada) Ltd.

LIEN IN FAVOR OF GUARANTY BANK & TRUST COMPANY OF MORGAN CITY:
DEBTOR: NOBLE DRILLING COMPANY

Ten (10) acre tract adjoining Bayou Black in Terrebone Parish, Louisiana, together with a shop building.

LIEN IN FAVOR OF UNITED STATES GOVERNMENT:
DEBTOR: NN-1 LIMITED PARTNERSHIP

NN-1, jackup rig

LIEN IN FAVOR OF BOISE CASCADE CORPORATION:
DEBTOR: TRITON TOOL AND SUPPLY, INC.

17.235 acre tract and associated buildings located in Harris County, Texas.

LIEN IN FAVOR OF NATIONSBANK OF TEXAS N.A.; MARINE MIDLAND BANK, N.A.; BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION; AND NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION:
LETTERS OF CREDIT ISSUED BY NOBLE (GULF OF MEXICO) INC.

Joe Alford (Portal 201)

Lester Pettus (Portal 202)

NOBLE DRILLING CORPORATION

SCHEDULE 3.10
INDEBTEDNESS OUTSTANDING AT CLOSING DATE

<TABLE>
<CAPTION>

Loan Description	Interest Basis	Interest Rate	Amount Outstanding (U.S. $000's)	Amount Due within One Year (U.S. $000's)	Amount Available (U.S. $000's)
<S>	<C>	<C>	<C>	<C>	<C>
9 1/4% Senior Notes Due 2003 Obligor: Noble Drilling Company	9.25%	9.25%	$125,000	0	0
Royal Bank of Canada Canadian Line of Credit Obligor: Noble Drilling (Canada) Ltd.	RB Prime +.75	7.50%	0	0	$1,000(1)
U.S. Government -- Guaranteed Ship Financing Sinking Fund Bonds Obligor: NN -- 1 Limited Partnership	8.95%	8.95%	2,586	$ 520	0
Guaranty Bank & Trust Company of Morgan City Obligor: Noble Drilling Corporation	Prime +1.00	8.25%	98	26	0
Boise Cascade Corporation Obiligor: Triton Tool and Supply, Inc.	8.25%	8.25%	1,571	1,571	0
Joseph E. Beall Obligor: Noble Drilling Corporation	NationsBank Prime	7.25%	3,938	3,938	0
George H. Bruce Obligor: Noble Drilliing Corporation	NationsBank Prime	7.25%	62	62	0
Total			$133,255	$6,117	$1,000

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</TABLE>

(1) Margined to 75% of receivables outstanding less than ninety days.

GUARANTEES

1. Guarantee by Noble Drilling International Inc. in favor of Royal Bank of Canada for Noble Drilling (Canada) Ltd. U.S. $1,000,000 credit line.

2. Guarantees by Noble Drilling (U.K.) Limited and Noble Drilling (Canada) Ltd. in favor of Royal Bank of Canada for Resolute Insurance Group Ltd. U.S. $683,009 letter of credit facility.

LETTERS OF CREDIT

1. Resolute Insurance Group Ltd. U.S. $683,009 letter of credit in favor of Insurance Company of North America and/or INA.

2. Noble International Limited U.S. $937,200 letter of credit in favor of Pemex Exploration and Production.

3. Noble Drilling International Inc. and/or Noble International Limited U.S. $100,000 and U.S. $200,000 letters of credit in favor of Qatar General Petroleum Corporation.

4. Noble (Gulf of Mexico) Inc. $6,411,554 and U.S. $5,803,268 letters of credit in favor of Atlantic Ritchfield Company.

NOBLE DRILLING CORPORATION

SCHEDULE 3.12
ERISA MATTERS AT CLOSING DATE

The following table sets forth disclosure of ERISA matters for Noble Drilling Corporation as of the closing date:

Nothing to disclose.

NOBLE DRILLING CORPORATION

SCHEDULE 3.14
LISTING OF SUBSIDIARIES

The following table sets forth the direct and indirect subsidiaries of Noble Drilling Corporation as of the closing date:

<TABLE>
<CAPTION>

SUBSIDIARY	INCORPORATION
<S>	<C>
NN-1 Limited Partnership(1)	Texas
Noble Properties Inc.(2)	Oklahoma
Noble Drilling International Inc.	Delaware
Noble Drilling (U.S.) Inc.(2)	Delaware
Noble Drilling Services Inc.(2)	Delaware
Noble Production Management Inc.(2)	Delaware
Noble Drilling (West Africa) Inc.(2)	Delaware
Noble Drilling (Mexico) Inc.(3)	Delaware
Noble (Gulf of Mexico) Inc.(3)	Delaware
Mexico Offshore Drilling Services Inc.(3)	Delaware
Bawden Drilling Inc.(4)	Delaware
Noble Offshore Corporation(2)	Delaware
Noble Drilling (Canada) Ltd.(4)	Alberta
Drillhawk Service & Supply Ltd.(4)	Alberta
Noble Offshore Ltd.(4)	Alberta
372733 Alberta Inc.(4)	Alberta
Noble International Limited(4)	Cayman Islands
Noble Drilling International Ltd.(4)	Bermuda
Noble Drilling (Europe) Ltd.(4)	Bermuda
Noble Holdings Limited(4)	Bermuda
Interco Oilfield Supply Ltd.(4)	Bermuda
International Directional Services Ltd.(4)	Bermuda
Noble International Services Ltd.(4)	Bermuda
Resolute Insurance Group Ltd.(4)	Bermuda
Bawden Drilling International Ltd.(4)	Bermuda
Noble Drilling (UK) Limited(4)	Scotland
Noble Offshore Services Ltd.(4)	Scotland

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Noble Engineering Services Ltd.(4)	Scotland
Noble Drilling (Malaysia) SDN. BHD(6)	Malaysia
Noble Services SDN. BHD(4)	Brunei
Noble Enterprises Limited(4)	Cayman Islands
Noble Drilling Limited(4)	Cayman Islands
Noble Drilling International Services PTE Ltd.(4)	Singapore
Noble Drilling Arabia Ltd.(4)	Saudia Arabia
Bawden Drilling (Guatemala) Ltd.(4)	Bermuda
Noble Drilling (West Africa) Ltd.(5)	Bermuda
Noble Drilling (Nigeria) Ltd.(5)	Nigeria
Noble Drilling de Venezuela C.A.(4)	Venezuela
Triton Engineering Services Company(2)	Texas
Triton USA, Inc.(7)	Delaware
Triton International, Inc.(7)	Delaware
Triton Tool and Supply, Inc.(7)	Texas
Triton International Limited(7)	Cayman Islands
Triton Engineering Services Company, S.A.(7)	Texas
Triton Engineering Services Company Limited(7)	UK Registered Company
Triton Turn-Key, Inc.(7)	Texas
Threadneedle Oil Company(7)	Texas
Triton/Faja de Oro Joint Venture(8)	Mexico Registered Company

</TABLE>

- ---------------

(1) General Partnership interest owned 50% by Noble Drilling Corporation. Noble Drilling Corporation's sharing percentage in Noble-National Joint Ventures' distributions from operations is 90 percent.
(2) 100% owned by Noble Drilling Corporation.
(3) 100% direct or indirect subsidiary of Noble Drilling (U.S.) Inc.
(4) Direct or indirect subsidiary of Noble Drilling International Inc.
(5) 100% owned by Noble Drilling (West Africa) Inc.
(6) 70% owned indirectly by Noble Drilling International Inc.
(7) 100% owned by Triton Energy Services Company.
(8) Joint venture owned 50% by Triton Engineering Services Company.

NOBLE DRILLING CORPORATION

SCHEDULE 5.17
CERTAIN ENCUMBRANCES OR RESTRICTIONS CONTAINED IN ANY AGREEMENT OR INSTRUMENT AND EXISTING ON THE CLOSING DATE

Limited Partnership Agreement dated as of January 16, 1992, between Noble Drilling Corporation and National Enerdrill Corporation relating to NN -- 1 Limited Partnership, a Texas limited partnership.

EXHIBIT A

FORM OF REVOLVING CREDIT NOTE

$_____________ June __, 1994

NOBLE DRILLING CORPORATION, a Delaware corporation (the "Borrower"), for value received, promises to pay to the order of __________________________ (the "Bank"), at the offices of FIRST INTERSTATE BANK OF TEXAS, N.A. (the "Agent"), at 1000 Louisiana, 3rd Floor, Houston, Texas 77002, the principal sum of ____ DOLLARS ($________________), or such lesser amount as shall equal the aggregate unpaid principal amount of the Revolving Loans made by Bank hereunder to the Borrower under the Credit Agreement, as hereafter defined, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement referred to below, and to pay interest on the unpaid principal amount as provided in the Credit Agreement for such Revolving Loans made by the Bank to the Borrower under the Credit Agreement, at such office, in like money and funds, for the period commencing on the date of each such Revolving Loan until such Revolving Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

In addition to and cumulative of any payments required to be made against this Note pursuant to the Credit Agreement, this Note, including all principal and accrued interest then unpaid shall be due and payable on June __, 1996, its final maturity. All payments shall be applied first to accrued unpaid interest and the balance to principal, except as otherwise expressly provided in the Credit Agreement. Prepayments on this Note shall be applied in the manner set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement

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dated as of the ___ day of June, 1994, by and among the Borrower and First Interstate Bank of Texas, N. A., individually, and as Agent, and the financial institutions party thereto (including the Bank) (such Credit Agreement, together with all amendments or supplements thereto, being the "Credit Agreement"). This Note evidences the Revolving Loans made by the Bank thereunder and shall be governed by the Credit Agreement. Capitalized terms used in this Note and not defined in this Note, but which are defined in the Credit Agreement, have the respective meanings herein as are assigned to them in the Credit Agreement.

This Note is a revolving credit note and it is contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder; but

____
Initials for Identification

notwithstanding such occurrence, this Note shall remain valid and shall be in full force and effect as to each principal advance made hereunder subsequent to each such occurrence.

The Bank is hereby authorized by the Borrower to endorse on Schedule A (or a continuation thereof) attached to this Note, the Type of each Revolving Loan, the amount and date of each payment or prepayment of principal of each such Revolving Loan received by the Bank and the Interest Periods and interest rates applicable to each Revolving Loan, provided that any failure by the Bank to make any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement or under this Note in respect of such Revolving Credit Loans.

It is the intent of the Bank and the Borrower in the execution and performance of this Note to remain in strict compliance with Applicable Law from time to time in effect. In furtherance thereof, the Bank and the Borrower stipulate and agree that none of the terms and provisions contained in this Note, or in the Credit Agreement or any document securing or otherwise relating to this Note, shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the maximum rate or amount of interest permitted to be charged under Applicable Law. For purposes of this Note "interest" shall include the aggregate of all charges which constitutes interest under Applicable Law that are contracted for, charged, reserved, received or paid under this Note. The Borrower shall never be required to pay unearned interest and shall never be required to pay interest at a rate or in an amount in excess of the maximum rate or amount or interest that may be lawfully charged under Applicable Law, and the provisions of this paragraph shall control over all other provisions of this Note, the Credit Agreement and any other instrument pertaining to or securing this Note, which may be in apparent conflict herewith. If this Note is prepaid, or if the maturity of this Note is accelerated for any reason, or if under any other contingency the effective rate or amount of interest which would otherwise be payable under this Note would exceed the maximum rate or amount of interest the Bank or the holder of this Note is allowed by Applicable Law to charge, contract for, take, reserve or receive, or in the event that the Bank or any holder of this Note shall charge, contract for, take, reserve or receive monies deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under this Note to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under Applicable Law then in effect, then the principal amount of this Note or the amount of interest which would otherwise be payable under this Note or both shall be reduced to the amount allowed under Applicable Law as now or hereinafter construed by the courts having jurisdiction, and all such monies so charged, contracted for, taken, reserved or received are deemed to constitute interest in excess of the maximum rate or maximum amount of interest permitted by Applicable Law shall immediately be returned to or credited to the account of the Borrower upon such determination. The Bank and the Borrower further stipulate and agree that without limitation of the foregoing, all calculations of the rate or the amount of interest contracted for, charged, taken, reserved or received under this Note which

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are made for the purpose of determining whether such rate or amount exceeds the maximum lawful rate or amount, shall be made to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading during the period of the full stated term of this Note, all interest at any time contracted for, charged, taken, reserved or received from the Borrower or otherwise by the Bank or the holders of this Note.

The Borrower and all sureties, endorsers and guarantors of this Note waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity and all other notices, filing of suit and diligence in collecting this Note or enforcing any of the security herefor, and agree to any substitution, exchange or release of any such security or guaranty, release of any party primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by such holder, to first institute suit or exhaust its remedies against any security herefor or guarantor hereof, and consent to any one or more extensions or postponements of time of payment of this Note on any terms or any other indulgences with respect hereto, without notice thereof to any of them. Each such person agrees that his, her or its liability on or with respect to this Note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or maintain perfection of any lien against or security interest in any such security or the partial or complete enforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

The Credit Agreement, as at any time amended, provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayment of Revolving Loans upon the terms and conditions specified therein. Reference is hereby made to the Credit Agreement for all other pertinent purposes.

This Note is issued pursuant to and is entitled to the benefits of the Credit Agreement.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.

NOBLE DRILLING CORPORATION

By:____________________________________
Byron L. Welliver, Senior Vice
President - Finance and Treasurer

____
Initials for Identification

EXHIBIT C

FORM OF

ASSIGNMENT AND ACCEPTANCE

Dated: __________________, 199___

Reference is made to the Credit Agreement dated as of June __, 1994 (as restated, amended, modified, supplemented and in effect from time to time, the "Credit Agreement"), between NOBLE DRILLING CORPORATION, a Delaware corporation ("Borrower"), FIRST INTERSTATE BANK OF TEXAS, N.A., individually, as one of the Banks and as agent, and the financial institutions parties thereto (the "Lenders"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement. This Assignment and Acceptance, between the Assignor (as defined and set forth on Schedule I hereto and made a part hereof) and the Assignee (as defined and set forth on Schedule I hereto and made a part hereof) is dated as of the Effective date (as set forth on Schedule I hereto and made a part hereof).

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of

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the Effective Date, an undivided interest (the "Assigned Interest") in and to all the Assignor's rights and obligations under the Credit Agreement respecting the credit facilities contained in the Credit Agreement as set forth on Schedule I (herein referred to as the "Assigned Interests"), in a principal amount for each Loan, and in and to Assignor's participation interests in the Letters of Credit and unpaid Reimbursement Obligations, as set forth on Schedule I. The purchase hereby of the Assignee Interest by the Assignee constitutes a purchase of a participation interest in each Letter of credit outstanding on the date hereof, and in all outstanding Reimbursement Obligations then due and payable by Borrower, in an amount equal to such Assignee's Specified Percentage (as set forth on Schedule I attached hereto).

2. The assignor (i) represents and warrants that it owns the Assigned Interest free and clear from any lien or adverse claim; (ii) other than the representation and warranty set forth in clause (i) above, makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other instrument, document or agreement delivered in connection therewith, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is fee and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or its Subsidiaries or the performance or observance by the Borrower or its Subsidiaries of any

of its respective obligations under the Credit Agreement, or any other instrument or document furnished pursuant thereto; and (iv) attaches the Notes held by it evidencing the Assigned Loans and requests that the Agent exchange such Note(s) for a new Note or Notes payable to the Assignor (if the Assignor has retained any interest in the Assigned Loans) and new Notes payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

3. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance and that it is an Eligible Assignee under the Credit Agreement; (ii) confirmed that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 3.09 or if later, the most recent financial statements delivered pursuant to Section 4.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis; (iii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iv) appoints and authorizes the Agent to take such to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender and hereby makes the Lender representations set forth in Section 10.18 of the Credit Agreement; and (vi) if the Assignee is organized under the laws of a jurisdiction outside the United States, attaches the forms prescribed by the Internal Revenue Service of the United States and required pursuant to Section 10.18 of the Credit Agreement certifying as to the Assignee's exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent and the Borrower for acceptance by each of them and recording by the Agent pursuant to Section 10.07 of the Credit Agreement, effective as of the Effective Date (which Effective Date shall, unless otherwise agreed to by the Agent, be at least five Business Days after the execution of this Assignment and Acceptance).

5. Upon acceptance and recording by the Agent, all payments under the Credit Agreement in respect of the Assigned Interest (including without limitation, all payments of principal, interest and fees with respect thereto) for the period up to, but not including the Effective Date, shall be made to the Assignor, and for the period from and after the Effective Date shall be made to the Assignee. Assignor and Assignee hereby agree that if Assignor

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receives any of the payments referred to in the preceding sentence which should have been

made to Assignee, or if Assignee receives any of the payments referred to in the previous sentence which should have been made to Assignor, such payments shall promptly be paid by Assignor to Assignee, or by Assignee to Assignor, as the case may be, in full.

6. From and after the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance and Section 10.07 of the Credit Agreement, have the rights and obligations of one of the Banks thereunder, and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance and Section 10.07 of the Credit Agreement, relinquish its rights and be released from its rights and be released from its obligations under the Credit Agreement.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

IN WITNESS WHEREOF, the parties hereto have caused this assignment and Acceptance to be executed by their respective duly authorized officers on Schedule I hereto.

____
as Assignor

By:_____________________________________
Print Name:_____________________________
Print Title:____________________________

____
as Assignee

By:_____________________________________
Print Name:_____________________________
Print Title:____________________________

AGREED AND CONSENTED TO:

NOBLE DRILLING CORPORATION

By:_____________________________________
Print Name:_____________________________
Print Title:____________________________

FIRST INTERSTATE BANK OF TEXAS, N.A.,

By:_____________________________________
Print Name:_____________________________
Print Title:____________________________

SCHEDULE I TO ASSIGNMENT AND ACCEPTANCE

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RESPECTING THE CREDIT AGREEMENT,
DATED AS OF JUNE __, 1994 AMONG
NOBLE DRILLING CORPORATION AND
FIRST INTERSTATE BANK OF TEXAS, N.A.,
AS AGENT AND AS AN ISSUING BANK,
AND THE BANKS PARTY THERETO

Assignor:_______________________________________

Assignee:_______________________________________

Effective Date of Assignment:___________________________________

Assigned Obligations	Total Amount Assigned	Specified Percentage (to at least 8 decimals) shown as a percentage of aggregate original principal amount of all Banks
Revolving Credit Loans (sum of Commitment for Loans and outstanding amounts)	$_______________.__	_____%
Participation in Outstanding Letters of Credit and Unpaid Reimbursement Obligations	$_______________.__	_____%

Assignee's Base Rate Lending Office

____
____
____
____
____
____

Address for Notice:

____
____
____
____
____
____

Assignee's Eurodollar Lending Office

____
____
____

Telex No.:__________________________

Telecopy No.:_______________________

EXHIBIT D

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT ("Guaranty") is executed by each of the corporations signatory hereto (collectively, the "Guarantors", and each individually a "Guarantor"), in favor of First Interstate Bank of Texas, N.A., a national banking association in its individual capacity and as agent for the Banks party to that certain Credit Agreement dated as of June __, 1994 between Noble Drilling Corporation, a Delaware corporation ("Borrower") and such Banks.

WHEREAS, each Guarantor hereby acknowledges and agrees that the financial accommodations to be made to Borrower pursuant to the Credit Agreement (as hereinafter defined) will materially benefit Borrower and each Guarantor, and in recognition of this fact, each Guarantor desires to secure

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the payment of any and all indebtedness, obligations and liabilities to Agent or to Banks now, heretofore or hereafter arising under, or in connection with the Guaranteed Indebtedness (as hereinafter defined);

WHEREAS, the Banks are not willing to make the loans under the Credit Agreement or otherwise extend credit to Borrower unless the Guarantors unconditionally and irrevocably guarantee payment of all present and future indebtedness and obligations of the Borrower to the Banks,

NOW, THEREFORE, in consideration of credit and financial accommodations extended or to be extended to the Borrower, by and for other good, fair and valuable considerations and reasonably equivalent value, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

Section 1.01. Guaranty of Obligation. Guarantors hereby irrevocably, jointly and severally, and unconditionally guarantee to the Agent and to each of the Banks and their respective successors and assigns, when due (and howsoever such due date or maturity shall arise), (i) the due and punctual payment of the Guaranteed Debt as that term is hereinafter defined; and (ii) the performance of all other obligations, liabilities, covenants and agreements under the Credit Agreement. Guarantors hereby irrevocably and unconditionally covenant and agree that each is jointly and severally liable for the Guaranteed Debt as primary obligor.

Section 1.02. Definitions.

(a) As used herein, the following capitalized terms shall have the following meanings:

"Agent" means First Interstate Bank of Texas, N.A., as agent for the Banks party to the Credit Agreement, or such Person as is successor thereto as "agent" for the Banks.

"Banks" means each of the banks party to the Credit Agreement and such banks' respective successors and assigns.

"Borrower" means Noble Drilling Corporation, a Delaware corporation.

"Credit Agreement" means that certain Credit Agreement dated as of June __, 1994, by and among Borrower, the Agent, and the banks party thereto, which provides for a revolving credit facility of up to $25,000,000 and for the issuance of Letters of Credit in the face amount of up to $5,000,000.

"Debtor Laws" means any federal, or state bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance, preferential transfer or similar laws and judicial decisions, relating to or affecting the enforcement of creditors' rights generally.

"Guaranteed Debt" means:

(a) all principal, interest, reasonable attorneys' fees, commitment fees, other fees, reimbursement obligations arising in connection with letters of credit issued in connection with the Credit Agreement, liabilities for costs and expenses and other indebtedness, obligations and liabilities of Borrower to the Agent or to the Banks at any time arising under the Credit Agreement, including, without limitation, all indebtedness, obligations and liabilities arising under the Notes and each and every scheduled payment of principal and/or interest as provided therein, and under any renewals, extensions, increases, refinancings and rearrangements of the Notes.

(b) all post petition interest on indebtedness, obligations and liabilities of Borrower described in clause (a) above in the event of bankruptcy of Borrower, or any of the Guarantors; and

(c) all costs, expenses and fees, including, without limitation, court costs and reasonable attorneys' fees, arising in connection with the enforcement or collection (whether or not any proceeding is commenced in connection therewith) of any or all amounts, indebtedness, obligations and liabilities of Borrower to the Agent or to the Banks described in clauses (a)

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and (b) above.

"Notes" means each of the revolving notes made by Borrower to the order of each of the Banks, executed pursuant to the Credit Agreement.

(b) Capitalized items used and not otherwise defined herein shall have the meanings set forth therefor in the Credit Agreement.

Section 1.03. Indebtedness Not Reduced by Offset. The Guaranteed Debt shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other Person, against Agent or Banks or against payment of the Guaranteed Debt, whether such offset, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise. Without limiting the foregoing or the Guarantors' liability hereunder, to the extent that the Agent or any of the Banks advances funds or extends credit to Borrower, and does not receive payments or benefits thereon in the amounts and at the time required or provided by applicable agreements or Laws, each of the Guarantors is absolutely liable to make such payments to (and confer such benefits on) each of the Banks and the Agent, on a timely basis.

Section 1.04. "Borrower" to Include New Corporations. The term "Borrower" as used herein shall include any successor corporation, partnership, association or other entity formed as a result of any reformation by, or merger or reorganization of, Noble Drilling Corporation, a Delaware corporation.

Section 1.05. Payment by Guarantors. If all or any part of the Guaranteed Debt shall not be punctually paid when due, whether at maturity or earlier by acceleration or otherwise, Guarantors shall, immediately upon demand by the Agent or the Banks, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate, notice of acceleration or any other notice whatsoever, pay in lawful money of the United States of America, the amount due on the Guaranteed Debt to Agent at Agent's principal office in Houston, Texas. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Debt is due, but not punctually paid, and may be made from time to time with respect to the same or different items of Guaranteed Debt. Such demand shall be deemed made, given and received in accordance with Section 5.02 hereof.

Section 1.06. No Duty to Pursue Others. It shall not be necessary for the Agent or the Banks (and each of the Guarantors hereby waives any rights which Guarantors may have to require the Agent or the Banks), in order to enforce such payment by any of the Guarantors, first to (i) institute suit or exhaust its rights against Borrower or other Persons now or hereafter liable on the Guaranteed Debt, or any other Person, (ii) enforce the Agent's or the Banks' rights against any security which shall ever have been given to secure the Guaranteed Debt, (iii) enforce the Agent's or the Banks' rights against any other guarantors of the Guaranteed Debt, (iv) join Borrower, or any other Persons now or hereafter liable on the Guaranteed Debt in any action seeking to enforce this Guaranty Agreement, (v) exhaust

any rights available to the Agent or to the Banks against any security or guarantor which shall ever have been given to secure the Guaranteed Debt, or (vi) resort to any other means of obtaining payment of the Guaranteed Debt. Neither the Agent nor the Banks shall be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Debt.

Section 1.07. Waiver of Notices, etc. Each of the Guarantors agrees to the provisions of the Notes, the Credit Agreement and the other Loan Documents, and, except as specifically set forth in this Guaranty Agreement, hereby waives notice of (i) any loans or advances, or the issuance of any Letters of Credit, by the Agent or by the Banks to or at the request of Borrower, (ii) acceptance of this Guaranty Agreement, (iii) any amendment, modification, extension for any period, increase, refinancing or rearrangement of the Notes or any supplement, modifications, amendment and/or restatement of the Credit Agreement or of any of the other Loan Documents, (iv) the occurrence of any breach by Borrower, or any Default or Event of Default, (v) the Agent's or any of the Banks' transfer or disposition of the Guaranteed Debt, or any part thereof, (vi) the sale or foreclosure (or posting or advertising for sale

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or foreclosure) of any collateral for the Guaranteed Debt, (vii) protest, proof of non-payment or default by Borrower, or (viii) any other action at any time taken or omitted by the Agent or the Banks, and, generally, all demands and notices of every kind in connection with this Guaranty Agreement, the Credit Agreement and the other Loan Documents.

Section 1.08. Nature of Guaranty. This Guaranty Agreement is an irrevocable, absolute and continuing guaranty of payment and not a guaranty of collection. This Guaranty Agreement may not be revoked by any of the Guarantors and shall continue to be effective with respect to any Guaranteed Debt arising or created after any attempted revocation by any of the Guarantors. The fact that at any time or from time to time the Guaranteed Debt may be increased, reduced or paid in full shall not release, discharge or reduce the obligations of Guarantors with respect to the indebtedness or obligations of Borrower, to the Agent or the Banks thereafter incurred (or other Guaranteed Debt thereafter arising) under the Notes or otherwise. This Guaranty may be enforced by the Agent or the Banks and by any subsequent holder or holders of the Guaranteed Debt and shall not be discharged by the assignment or negotiation of all or part of the Guaranteed Debt. Guarantors guarantee that the Guaranteed Debt will be paid strictly in accordance with the terms of the Notes, the Credit Agreement and the other Loan Documents, regardless of any law of any tribunal affecting any such terms or the rights of the Agent or the Banks with respect thereto. The liability of the Guarantors under this Guaranty Agreement shall be irrevocable, absolute and unconditional irrespective of any change in the time, manner or place of payment of, or in any other term of, all or any part of the Guaranteed Debt under the Notes, the Credit Agreement or the other Loan Documents, or any other amendment, waiver of or any consent to the departure from the Notes, the Credit Agreement or the other Loan Documents.

Section 1.09. Payment of Expenses. In the event that any of the Guarantors breaches or fails to timely perform any provisions of this Guaranty Agreement, each of the Guarantors agrees to pay to the Agent or to the Banks all costs and expenses (including court costs and reasonable attorneys' fees) incurred by the Agent or by the Banks in the enforcement hereof or the preservation of the Banks' rights hereunder. The covenant contained in this Section 1.09 shall survive the payment of the Guaranteed Debt.

Section 1.10. Effect of Bankruptcy. Pursuant to any Debtor Laws, or any judgment, order or decision thereunder, in the event that, within four years after the payment thereof, any of the Banks or the Agent must rescind or restore any payment, or any part thereof, received by the any of the Banks or the Agent in satisfaction of the Guaranteed Debt, as set forth herein, then any prior release or discharge from the terms of this Guaranty Agreement given to any of the Guarantors by any of the Banks or the Agent shall be without effect, and this Guaranty Agreement shall remain in full force and effect. Each of the Guarantors' obligations hereunder shall not be discharged except by Guarantors' performance of such obligations and then only to the extent of such performance. The covenant contained in this Section 1.10 shall survive the payment of the Guaranteed Debt, and any portion thereof.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING ANY GUARANTORS' OBLIGATIONS

Each of the Guarantors hereby agrees that the liability of Guarantors under this Guaranty Agreement is irrevocable, absolute and unconditional. Each of the Guarantors consents and agree to each of the following, and each of the Guarantors further agrees that each of the Guarantors' obligations under this Guaranty Agreement shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable or statutory, or other rights (including, without limitation, rights to notice) which any such Guarantors might otherwise have as a result of or in connection with any of the following:

Section 2.01. Modifications, etc. Any renewal, extension for any period, increase, amendment, modification, alteration, supplement or rearrangement of all or any part of the Guaranteed Debt, the Notes, the Credit Agreement or of any of the other Loan Documents or understandings or agreements between Borrower, and the Agent or the Banks, or any other Persons, pertaining to the Guaranteed Debt;

Section 2.02. Adjustment, etc. Any adjustment, indulgence, forbearance or compromise that might be granted or given by the Agent or the

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Banks to Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt;

Section 2.03. Condition of Borrower or Guarantors. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, or any other Person now or hereafter liable for the payment of all or part of the Guaranteed Debt, including any of the Guarantors; or any dissolution of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt, or any sale, lease or transfer of any or all of the assets or properties of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt, or any changes in the shareholders, partners, members or other composition of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt; or any reorganization of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt;

Section 2.04. Invalidity of Guaranteed Debt. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Debt, the Notes, the Credit Agreement or any of the other Loan Documents, for any reason whatsoever, including without limitation the fact that (i) the Guaranteed Debt, or any part thereof, exceeds the amount permitted by Law, (ii) the act of creating the Guaranteed Debt or any part thereof is ultra vires, (iii) the officers, partners or representatives executing the Notes, the Credit Agreement or the other Loan Documents acted in excess of their authority, (iv) the Guaranteed Debt violates applicable usury Laws, (v) Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Debt wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Debt (or the execution, delivery and performance of any Loan Document) is illegal, uncollectible or unenforceable, or (vii) the Notes, the Credit Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic;

Section 2.05. Release of Obligors. Any full or partial release of the liability of Borrower on the Guaranteed Debt or any part thereof, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Debt or any part thereof, it being recognized, acknowledged and agreed by Guarantors that any Guarantors may be required to pay the Guaranteed Debt in full without assistance or support of any other Person, and none of the Guarantors has been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that the Agent or any of the Banks will look solely to other Persons to perform the Guaranteed Debt;

Section 2.06. Other Security. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Debt;

Section 2.07. Release of Collateral, etc. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent or unreasonable impairment) of any collateral, property or security, at any time

existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Debt;

Section 2.08. Care and Diligence. The failure of the Agent or the Banks or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

Section 2.09. Status of Liens. The fact that any collateral, security or Lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Debt shall not be properly perfected or created or continuously perfected or in existence, or shall prove to be unenforceable or subordinate to any other Lien, it being recognized and agreed by Guarantors that none of the Guarantors is entering into this Guaranty Agreement in reliance on, or in contemplation of the benefits of, the validity,

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enforceability, collectability or value of any collateral for the Guaranteed Debt;

Section 2.10. Offset. The Guaranteed Debt guaranteed hereby, and the liabilities and obligations of each of the Guarantors to the Agent and the Banks hereunder, shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, recoupment, claim or defense of Borrower against the Agent or the Banks, or any other Person, or against payment of the Guaranteed Debt, whether such right of offset, recoupment, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise;

Section 2.11. Incorporation/Merger. The reorganization, merger or consolidation of Borrower, into or with any other corporation, partnership or other entity or form;

Section 2.12. Preference. Any payment by Borrower, to the Agent or the Banks is held to constitute a preference under Debtor Laws, or for any reason the Agent or any of the Banks is required to refund such payment or pay such amount to Borrower, or any other Person; or

Section 2.13. Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Guaranteed Debt, the Notes, the Credit Agreement or any of the other Loan Documents, or the security and collateral therefor, whether or not such action or omission prejudices Guarantors or increases the likelihood that Guarantors will be required to pay the Guaranteed Debt pursuant to the terms hereof including, without limitation, any Advances made by the Agent or the Banks to Borrower, following any Default or Event of Default; it is the unambiguous and unequivocal intention of each of the Guarantors that each of the Guarantors shall be absolutely obligated to pay the Guaranteed Debt when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Guaranteed Debt.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

To induce Banks to enter into the Credit Agreement and the other Loan Documents and to induce Banks to make the loans and otherwise extend credit to Borrower, each of the Guarantors represents, warrants and covenants to each of the Agents and the Banks that:

Section 3.01. Familiarity and Reliance. Each of the Guarantors is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower; however, none of the Guarantors are relying on such financial condition or any collateral as an inducement to enter into this Guaranty Agreement.

Section 3.02. No Representation by Banks. Neither the Agent nor the Banks nor any other Person has made any representation, warranty or statement to any of the Guarantors in order to induce each of the Guarantors to execute this Guaranty Agreement except as heretofore provided in the recitals of this Guaranty Agreement.

Section 3.03. Benefit. Each of the Guarantors is a direct or indirect subsidiary of the Borrower, and such entity derives benefit from its relationship with the Borrower in connection with the ownership and operation of the business of the Borrower and its Subsidiaries, and as a result thereof, each of the Guarantors has received, or will receive, direct or indirect benefit and reasonably equivalent value from the making of this Guaranty Agreement.

Section 3.04. Determination of Benefit. The Board of Directors of each of the Guarantors has determined that this Guaranty Agreement directly or indirectly benefits each of the Guarantors and is in the best interests of each of the Guarantors.

Section 3.05. Legality. The execution, delivery and performance by each of the Guarantors of this Guaranty Agreement and the consummation of the transactions contemplated hereunder do not, and will not, contravene or violate any Law to which any of the Guarantors is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any Lien to which any of the Guarantors is a party or which may be applicable to each of the Guarantors or any of their

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respective assets. This Guaranty Agreement is a legal and binding obligation of each of the Guarantors and is enforceable in accordance with its terms, except as limited by Debtor Laws.

Section 3.06. Use of Proceeds; Margin Stock. None of the proceeds from the Loans will be used, for the purpose of purchasing or carrying any "margin stock" as defined in Regulations G, T, U or X, or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry a "margin stock" or for any other purpose which might constitute this transaction a "purpose credit" within the meaning

of Regulations G, T, U or X. Guarantors have not taken and will not take any action which might cause any of the Loan Documents to violate or be subject to Regulations G, T, U or X, or any other regulations of the Board of Governors of the Federal Reserve System or to violate Section 8 of the Securities Exchange Act of 1934 or any rule or regulation thereunder, in each case as now or hereafter may be in effect at the time such proceeds were used.

Section 3.07. Loan Documents. To the extent that each of the Guarantors is a party to any of the Loan Documents, each such Loan Document is the legal and binding obligation of such Person, enforceable in accordance with its terms. None of the Guarantors have or has asserted, and none are aware of, any claims, defenses, offset rights or similar rights or remedies with respect to, or any defect in, the Loan Documents, which in any manner or effect would diminish or impair any rights, Liens, privileges, benefits and remedies of the Agent or the Banks as contemplated by the Loan Documents, or would preclude the Agent or the Banks from enforcing and collecting the Obligations in the amount and manner as provided in the Loan Documents. None of the Guarantors has revoked any of its obligations under any Loan Document to which it is a party, and none has requested and/or received a release or termination of its obligations thereunder. The Agent and the Banks are authorized to rely upon all representations, warranties, statements and other information, with respect to the Borrower and its Affiliates, set forth in the Loan Documents, as true and correct on the date hereof. Each of the Guarantors hereby represents and warrants that the representations and warranties pertaining to it as set forth in the Credit Agreement are true and correct on the date hereof.

Section 3.08. Survival. All representations and warranties made by each of the Guarantors herein shall survive the execution hereof.

ARTICLE IV

SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.01. Subordination of All Guarantors Claims. As used herein, the term "Guarantors Claims" shall mean all debts and liabilities of Borrower, to any of the Guarantors, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Borrower, thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by notes, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by any of the Guarantors. After the occurrence of a Default, and so long thereafter as such Default continues, until the Guaranteed Debt shall be paid and satisfied in full and the Guarantors shall have performed all obligations hereunder, none of the Guarantors shall receive or collect, directly or indirectly, from Borrower any amount upon the Guarantors

Claims. The Guarantors Claims shall not include all rights and claims of any of the Guarantors against the Borrower (arising as a result of subrogation or otherwise) as a result of any Guarantor's payment of all or a portion of the Guaranteed Debt. UNTIL ALL OF THE OBLIGATIONS HAVE BEEN PAID AND PERFORMED IN FULL, EACH OF THE GUARANTORS EXPRESSLY AND SPECIFICALLY WAIVES ANY AND ALL RIGHTS, WHETHER ARISING BY LAW OR AGREEMENT OR OTHERWISE, TO REIMBURSEMENT, CONTRIBUTION, SUBROGATION, EXONERATION AND INDEMNIFICATION, AND TO PARTICIPATE IN ANY CLAIM OR REMEDY OF ANY OF THE AGENT OR THE BANKS OR ANY OTHER PERSON

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AGAINST BORROWER, OR ANY OTHER PERSON, WITH RESPECT TO THE GUARANTEED DEBT. EACH OF THE GUARANTORS HAS CONSULTED WITH LEGAL COUNSEL OF ITS OWN CHOOSING AS TO THE EFFECT OF THE FOREGOING WAIVERS. If any Guarantor shall make payment to Lender of all or any portion of the Obligations, and if all of the Obligations shall be finally paid in full, Agent will, at such Guarantor's request and expense, execute and deliver to such Guarantor (without recourse, representation or warranty) appropriate documents necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Obligations resulting from such payment by such Guarantor; provided that such transfer shall be subject to Section 1.10 above.

Section 4.02. Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Borrower as debtor, the Agent and the Banks shall have the right to prove the claims of the Banks (and of the Agent, if any) in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends, distributions and payments which would otherwise be payable upon Guarantors Claims. Each of the Guarantors hereby assigns such dividends, distributions and payments to the Agent for the benefit of the Banks. Should the Agent or the Banks receive, for application upon the Guaranteed Debt, any such dividend or payment which is otherwise payable to any of the Guarantors, and which, as between Borrower and Guarantors, shall constitute a credit upon the Guarantors Claims, then upon payment to Banks in full of the Guaranteed Debt, each of the Guarantors shall become subrogated to the rights of the Agent and the Banks to the extent that such payments to the Agent and the Banks on the Guarantors Claims have contributed toward the liquidation of the Guaranteed Debt, and such subrogation shall be with respect to that proportion of the Guaranteed Debt which would have been unpaid if Agent and the Banks had not received dividends or payments upon the Guarantors Claims.

Section 4.03. Payments Held in Trust. In the event that, notwithstanding Sections 4.01 and 4.02 above, any of the Guarantors should receive any funds, payment, claim or distribution which is prohibited by such Sections, each of the Guarantors, unless otherwise directed in writing by the Agent or the Banks, agree to immediately notify the Agent of receipt of same and to hold in trust for the Banks an amount equal to the amount of all funds, payments, claims or distributions so received, and agree that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions, except to

pay them promptly to the Agent for the benefit of the Banks, and Guarantors covenant to immediately pay the same to the Agent for the benefit of the Banks.

Section 4.04. Liens Subordinate. Each of the Guarantors agrees that any Liens upon the assets and properties of Borrower, securing payment of the Guarantors Claims shall be and remain inferior and subordinate to any Liens upon the assets and properties of Borrower securing payment of the Guaranteed Debt, regardless of whether such Liens in favor of any of the Guarantors or the Agent for the benefit of the Banks presently exist or are hereafter created or attach. Without the prior written consent of the Agent, none of the Guarantors shall (i) exercise or enforce any rights it may have against Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any Liens on assets of Borrower, held by any of the Guarantors.

ARTICLE V

MISCELLANEOUS

Section 5.01. Waiver. No failure to exercise, and no delay in exercising, on the part of the Agent or the Banks, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of the Agent and the Banks hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty Agreement, nor consent to departure therefrom, shall be effective unless in writing and signed by Banks and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.02. Notices. Except for telephonic notices permitted

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herein, any notices or other communications required or permitted to be given by this Agreement or any other Loan Documents and instruments referred to herein must be (i) given in writing and personally delivered or mailed by prepaid certified or registered mail, or (ii) made by telex or telecopy delivered or transmitted, to the party to whom such notice of communication is directed, to the address of such party as follows: (a) if to Guarantors, c/o Noble Drilling Corporation, 10370 Richmond Avenue, Suite 400, Houston, Texas 77042, Fax Number: (713) 974-3181, Attention: Byron L. Welliver, Sr. Vice President - Finance and Treasurer, with copy to Thompson & Knight, a Professional Corporation, 1700 Pacific Avenue, Suite 3300, Dallas, Texas 75201, Fax Number: (214) 969-1751, Attention: Robert D. Campbell, Esq.; and (b) if to Agent, as set forth therefor in the Credit Agreement, and if to the Banks, then in care of the Agent, all with copy to Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas 77010, Fax Number: (713) 651-5246, Attention: Joshua P. Agrons;

provided however, the failure of any of the Guarantors, Agent or the Banks to provide a copy of any notice or other communication to the other party's counsel as specified in the foregoing clause shall not affect the effectiveness, legitimacy and significance of any notice or other communication sent by any of the Guarantors to the Agent or the Banks, or the Agent of any of the Guarantors, so long as such notice or other communication is otherwise in compliance with this Section 5.02. Any notice to be mailed or personally delivered may be mailed or delivered to the principal offices of the party to whom such notice is addressed. Any such notice or other communication shall be deemed to have been given (whether actually received or not) on the day it is mailed or personally delivered as aforesaid or, if transmitted by telex, on the day that such notice is transmitted as aforesaid; provided, however, that any telephonic or other notice received by a party after 11:00 a.m. (Houston, Texas time) on any day shall be deemed to have been given on the next succeeding day. Any party may change its address for purposes of this Agreement by giving notice of such change to the other party pursuant to this Article 5.02.

Section 5.03. Entirety and Amendments. This Guaranty Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof and this Guaranty Agreement may be amended only by an instrument in writing executed by the parties hereto.

Section 5.04. Parties Bound; Assignment. This Guaranty Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, none of the Guarantors may, without the prior written consent of the Agent, assign any of its rights, duties or obligations hereunder.

Section 5.05. Multiple Parties. Anyone signing this Guaranty Agreement shall be bound thereby, whether or not any other party signs this Guaranty Agreement or is released therefrom at any time. It is specifically agreed that the Agent may enforce the provisions hereof with respect to one or more of the Guarantors without seeking to enforce the same as to all or any other such parties, and each of the Guarantors hereby waives any requirement of joinder of all or any other of the other parties hereto in any suit or proceeding to enforce the provisions hereof. The obligations created by this Guaranty Agreement shall be joint and several (and not merely joint) with respect to each of the Guarantors.

Section 5.06. Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty Agreement.

Section 5.07. Rights and Remedies. If any of the Guarantors becomes liable for any indebtedness owing by any of the Borrower to the Agent or to the Banks, by endorsement or otherwise, other than under this Guaranty Agreement, such liability shall not be in any manner impaired or affected hereby and the rights of the Agent and the Banks hereunder shall be cumulative of any and all other rights of the Agent or the Banks hereunder that Banks may have against any of the Guarantors. The exercise by the Agent or the Banks of

any right under this Guaranty Agreement, the Credit Agreement, any of the other

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Loan Documents, any other instrument, document or agreement, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right.

Section 5.08. Multiple Counterparts. This Guaranty Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Guaranty Agreement by signing any such counterpart.

Section 5.09. Choice of Law. THIS GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS.

Section 5.10. Submission to Jurisdiction. To the extent not expressly prohibited by law from time to time in effect, each of the Guarantors hereby irrevocably and unconditionally: (i) submits for itself and its property in any legal action or proceeding relating to this Guaranty Agreement or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of Harris County, Texas, the Courts of the United States of America for the Southern District of Texas, Houston Division and Appellate Courts from any thereof; (ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that any such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Guarantor at its address set forth in Section 5.02 of this Guaranty Agreement or at such other address of which Agent shall have been notified pursuant thereto; and (iv) agrees that nothing herein shall impair the right of Agent to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

EXECUTED effective as of the day and year first above written.

GUARANTORS:

NOBLE DRILLING (U.S.), INC.

By:_____________________________________
Byron L. Welliver
Senior Vice President

NOBLE DRILLING (WEST AFRICA), INC.

By:_____________________________________
Byron L. Welliver
Senior Vice President

NOBLE DRILLING (MEXICO), INC.

By:_____________________________________
Alan Krenek
Treasurer

EXHIBIT E

FORM OF INTERCOMPANY REVOLVING CREDIT DEMAND NOTE

$20,000,000.00 ________, 199__

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For value received, ____, a ___________________ corporation (the "Borrower"), promises to pay on demand, or if no demand be sooner made then on or before June __, 1996, to the order of Noble Drilling Corporation, a Delaware corporation ("Noble"), at its principal executive offices located at 10370 Richmond Avenue, Suite 400, Houston, Texas 77042, the principal sum of TWENTY MILLION AND N0/100 DOLLARS ($20,000,000.00), or such lesser amount as shall equal the aggregate unpaid principal amount of the loans made by Noble hereunder on or after the date hereof to the Borrower, in lawful money of the United States of America and in immediately available funds.

All payments shall be applied first to accrued unpaid interest and the balance to principal. Prepayments shall be permitted on this Note without premium or penalty.

All past due principal and interest on this Note shall bear interest from maturity thereof until paid at a per annum rate equal to the Default Rate provided in the Credit Agreement. Accrued interest on past due principal and interest shall be payable on demand.

This Note is one of the Intercompany Revolving Credit Notes referred to in the Credit Agreement dated as of June __, 1994, by and among Noble, First Interstate Bank of Texas, National Association, as Agent (the "Agent"), and the financial institutions party thereto (such Credit Agreement, together with all amendments or supplements thereto, being the "Credit Agreement"), and, as such, will be pledged to the Agent by Noble to secure the various obligations of Noble under the Credit Agreement. Capitalized terms used in this Note and not defined in this Note, but which are defined in the Credit Agreement, have the respective meanings herein as are assigned to them in the Credit Agreement.

This Note is a revolving credit note evidencing intercompany loans made from time to time on or after the date hereof by Noble to Borrower, and it is contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder; but notwithstanding such occurrence, this Note shall remain valid and shall be in full force and effect as to each principal advance made hereunder subsequent to each such occurrence.

It is the intent of Noble and the Borrower in the execution and performance of this Note to remain in strict compliance with Applicable Law from time to time in effect. In furtherance thereof, Noble and the Borrower stipulate and agree that none of the terms and provisions

contained in this Note shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the maximum rate or amount of interest permitted to be charged under Applicable Law. For purposes of this Note, "interest" shall include the aggregate of all charges that constitutes interest under Applicable Law that are contracted for, charged, reserved, received or paid under this Note. Borrower shall never be required to pay unearned interest and shall never be required to pay interest at a rate or in an amount in excess of the maximum rate or amount or interest that may be lawfully charged under Applicable Law, and the provisions of this paragraph shall control over all other provisions of this Note which may be in apparent conflict herewith. If this Note is prepaid, or if the maturity of this Note is accelerated for any reason, or if under any other contingency the effective rate or amount of interest which would otherwise be payable under this Note would exceed the maximum rate or amount of interest Noble or the holder of this Note is allowed by Applicable Law to charge, contract for, take, reserve or receive, or in the event that Noble or any holder of this Note shall charge, contract for, take, reserve or receive monies deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under this Note to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under Applicable Law then in effect, then the principal amount of this Note or the amount of interest which would otherwise be payable under this Note or both shall be reduced to the amount allowed under Applicable Law as now or hereinafter construed by the courts having jurisdiction, and all such monies so charged, contracted for, taken, reserved or received as are deemed to constitute interest in excess of the maximum rate or maximum amount of interest permitted by Applicable Law shall immediately be returned to or credited to the account of the Borrower upon such determination. Noble and the Borrower further stipulate and agree that without limitation of the foregoing, all calculations of the rate or the amount of interest contracted for, charged, taken, reserved or received under this Note which are made for the purpose of determining whether such rate or amount exceeds the maximum lawful rate or amount, shall be made to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading

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during the period of the full stated term of this Note, all interest at any time contracted for, charged, taken, reserved or received from the Borrower or otherwise by Noble or any holder of this Note.

The Borrower and all sureties, endorsers and guarantors of this Note waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity and all other notices, filing of suit and diligence in collecting this Note or enforcing any of the security herefor, and agree to any substitution, exchange or release of any such security or guaranty or the release of any party primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by such holder, to first institute suit or exhaust its remedies against any security herefor or guarantor hereof, and consent to any one or more extensions or postponements of time of payment of this Note on any terms or any other indulgences with respect hereto, without notice thereof to any of them. Each such person agrees that his, her or its liability on or with respect to this Note shall not be affected by any

release of or change in any guaranty or security at any time existing or by any failure to perfect or maintain perfection of any lien against or security interest in any such security or the partial or complete enforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

To the extent not expressly prohibited by law from time to time in effect, the Borrower hereby irrevocably and unconditionally: (i) submits for itself and its property in any legal action or proceeding relating to this Note or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of Harris County, Texas, the Courts of the United States of America for the Southern District of Texas, Houston Division and Appellate Courts from any thereof; (ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that any such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Borrower at its address set forth in the first paragraph of this Note or at such other address of which Noble shall have been notified pursuant thereto; and (iv) agrees that nothing herein shall impair the right of Noble to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS.

BORROWER:

____

By:_____________________________________
Name:___________________________________
Title:__________________________________

NOBLE DRILLING CORPORATION

Loan Formula Certificate

Agent: First Interstate Bank of Texas, N.A.

Dated as of: ______________________, 199_.

Borrower: Noble Drilling Corporation

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This Loan Formula Certificate is delivered pursuant to that certain Credit Agreement dated as of June __, 1994 (as renewed, extended, amended or modified, the "Credit Agreement") among the Borrower, the Agent and the Banks party thereto. Unless otherwise defined herein, capitalized terms used and not otherwise defined herein shall have the meanings set forth therefor in the Credit Agreement.

1.	Total Accounts Receivable per ------------ 199-- Aging Report		--------------------
2.	Total US and UK Accounts Receivable		--------------------
	Less: A) Portion greater than 90 days from invoice	-------------------	
	B) Amount exceeding 15% of Line 1 from same account	-------------------	
	C) Accounts with 25% concentration of past dues	-------------------	
	D) Other ineligible accounts	-------------------	
3.	Total Eligible US and UK Accounts		--------------------
4.	Total Other International Accounts (billed in US $)	-------------------	
	Less A) Portion greater than 90 days from invoice (Portion greater than 120 days for Shell Nigeria)	-------------------	
	B) Amount exceeding 15% of Line 1 from same account	-------------------	
	C) Accounts with 25% concentration past 90 days (Past 150 days for Shell Nigeria)	-------------------	
	D) Other ineligible accounts	-------------------	

119

5.	Total Eligible Other International Accounts	--------------------
6.	Total Eligible Accounts (Line 3 + Line 5)	--------------------
7.	75% of Line 6	--------------------
8.	Revolving Loan Commitment (Lesser of Line 7 and $25,000,000)	--------------------
9.	Aggregate Principal Balance of Revolving Notes	--------------------
10.	AVAILABILITY UNDER REVOLVING LOAN (LINE 8 - LINE 9)	--------------------
11.	ADDITIONAL AMOUNT REQUESTED UNDER REVOLVER	--------------------
12.	Letter of Credit Commitment (Lesser of (x) $5,000,000 and (y) Line 7 - Line 9 - Line 11)	--------------------
13.	Aggregate Letters of Credit Issued	--------------------
14.	AVAILABILITY UNDER LETTER OF CREDIT FACILITY	--------------------
15.	ADDITIONAL AMOUNT REQUESTED TO ISSUE UNDER LETTER OF CREDIT	--------------------

16. The undersigned, an Authorized Representative of Borrower, hereby certifies that:

(i) He is familiar with and knowledgeable of all the terms, agreements, provisions, warranties, representations and covenants of the Credit Agreement and the other Loan Documents;

(ii) His name appears on the specimen of signatures and incumbency certificate delivered to the Agent by the Borrower and now in effect, and he is authorized to execute this Certificate on behalf of the Borrower;

(iii) All of the figures and information set forth herein and

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in any schedules attached hereto are, to the best of his knowledge, true and correct as of the date of this Certificate and have been prepared, presented, computed and calculated in accordance with the respective provisions of the Credit Agreement;

(iv) As of and on the date of this Certificate, to the best of his knowledge, no condition, event or act which constitutes a Default or an Event of Default under the Credit Agreement exists, or will exist upon the making of any Revolving Loan requested above, except as follows:

____

____;

(v) The representations and warranties of the Borrower made or referred to in the Credit Agreement and the other Loan Documents (other than those representations and warranties that are by their express terms limited to the date of the instrument in which they are initially made or in respect to which each such change shall be and has been communicated, in writing, to the Agent and approved, in writing, by the Agent) are, to the best of his knowledge, true and correct in all material respects as of and on the date of this Certificate, except as follows:

____

____; and

(vi) There has been, to the best of his knowledge, no Material Adverse Effect has occurred with respect to Borrower on a Consolidated basis, since the date of the financial statements (audited or unaudited, as the case may be) of the Borrower most recently prepared and delivered to Agent, except as follows:

____

____.

NOBLE DRILLING CORPORATION

By:_____________________________________
Name:___________________________________
Title:__________________________________

NOBLE DRILLING CORPORATION

Loan Request Form

Agent: First Interstate Bank of Texas, N.A.

Dated as of: ___________________, 199__.

Borrower: Noble Drilling Corporation

This Loan Request Form is delivered pursuant to that certain Credit Agreement dated as of June _, 1994 (as renewed, extended, amended or modified, the "Credit Agreement") among the Borrower, the Agent and the other banks party thereto. Unless otherwise defined herein, capitalized terms used and not otherwise defined herein shall have the meanings set forth therefor in the Credit Agreement. This Loan Request Form is used to request a Loan, the issuance of a Letter of Credit or the conversion of a Loan to another Type.

1. Borrower hereby requests the following Loan or financial

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accommodation:

A. Type of Loan	Amount	Interest Period	Rate
___________________	___________________	______________________	________________
___________________	___________________	______________________	________________
___________________	___________________	______________________	________________

B. Letter of Credit Amount	Beneficiary	Expiry Date
______________________________	_____________________________	______________________________

2. Borrower hereby requests the following conversions of Loans:

Present Loan Type	Date of Loan	Amount of Loan	Requested Loan Type	Interest Paid
_________________	__________________	_________________	_________________	__________________
_________________	__________________	_________________	_________________	__________________
_________________	__________________	_________________	_________________	__________________

122

3. The Borrowing Date for the Loan(s), if any, contemplated in paragraph 1(A) hereof is ____________, 19__ (which must comply with Section 2.03 of the Credit Agreement).

4. The Borrower hereby requests that the Loan requested in numbered paragraph 1(A) hereof be disbursed into the accounts of Borrower at the Agent, as follows:

Account No.	Amount
____________________________________ --	$__________________________.__
____________________________________ --	__________________________.__
____________________________________ --	__________________________.__
Total*	$. =============================

*Must equal total Advance Requested.

5. The requested Loan, or the requested face amount of the Letter of Credit, when added to the sum of (A) the aggregate unpaid principal amount of outstanding Revolving Loans, and (B) the Total Letter of Credit Liabilities, does not exceed the lesser of (Y) the Total Credit Commitment and (Z) the Borrowing Base.

6. On the date hereof, the representations and warranties made by Borrower in the Loan Documents are true and correct in all material respects, except for such representations and warranties as are by their express terms limited to a specific date. No Default or Event of Default has occurred and is continuing on the date hereof.

7. The terms and provisions of the Loan Formula Certificate to which this Loan Request Form is attached, and which is executed by the same Authorized Representative as executed this Loan Request Form, are incorporated

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by reference herein.

NOBLE DRILLING CORPORATION

By:_____________________________________
Print Name:_____________________________
Print Title:____________________________

Quarterly Compliance Certificate
For the Fiscal Quarter Ended _____________________

NOBLE DRILLING CORPORATION

Reference is hereby made to that certain Credit Agreement dated as of June ___, 1994 (as renewed, extended, amended or modified, the "Credit Agreement"), among Noble Drilling Corporation (the "Borrower"), First Interstate Bank of Texas, N.A. in its individual capacity and as agent (the "Agent") for the other banks party thereto. Each capitalized term used but not otherwise expressly defined herein shall have the meaning set forth therefor in the Credit Agreement. This Quarterly Compliance Certificate is issued pursuant to Section ______ of the Credit Agreement, for the purposes therein stated.

I. CALCULATION OF SPECIAL PURPOSE FIXED CHARGE COVERAGE RATIO AS OF __________, 199_, ON A CONSOLIDATED AND ROLLING FOUR QUARTERS BASIS SECTION 5.05 (A)

A.	(1)	Net Income		___________	
	(2)	Plus:	Depreciation, Amortization, Noncash Expense	___________	
			Interest Expense	___________	
	(3)	Less:	Noncash Income	___________	
	(4)	EBITDA			___________
B.	(1)	Interest Expense		___________	
	(2)	Plus:	Scheduled Maturities	___________	
			Preferred Dividends	___________	
			Capital Expenditures less cash balances in excess of $25m	___________	
	(3)	Fixed Charges			___________
	(4)	ACTUAL SPECIAL PURPOSE FIXED CHARGE COVERAGE RATIO			___________
	(5)	Minimum Required Ratio			1.10

C. (1) Applicable Margin:

<TABLE>
<CAPTION>

Special Purpose Fixed Charge Coverage Ratio	For a Eurodollar Advance	For a Base Rate Advance
<S>	<C>	<C>
(a) At least 1.51	1.50% per annum	0% per annum

</TABLE>

<TABLE>

<S>	<C>	<C>
(b) At least 1.26 but less than 1.51	1.75% per annum	0% per annum
(c) Less than 1.26	2.00% per annum	.25% per annum

</TABLE>

Note: Applicable Margin fixed at 1.50% for Eurodollar Advances and zero for Base Rate Advances, through 12/31/94.

(2) APPLICABLE MARGIN
____

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II. CALCULATION OF FINANCIAL COVENANTS AS OF _____________, 199__

A. SECTION 5.05 (B) FIXED CHARGE COVERAGE RATIO

Rolling Four Quarters Basis:

(1)	Net Income		___________	
(2)	Plus:	Depreciation, Amortization, Noncash Expense	___________	
		Interest Expense	___________	
(3)	Less:	Noncash Income	___________	
(4)	EBITDA			___________
(5)	Interest Expense		___________	
(6)	Plus:	Scheduled Maturities	___________	
		Preferred Dividends	___________	
(7)	Fixed Charges			___________
(8)	Actual Fixed Charge Coverage Ratio			___________
(9)	Minimum Required Ratio			1.75

B. SECTION 5.06 TANGIBLE NET WORTH

(1)	Consolidated Total Assets		___________	
(2)	Less:	Intangibles	___________	
(3)	Less:	Total Liabilities and Accruals	___________	
(4)	Actual Consolidated Tangible Net Worth			___________

Minimum Base Required:

(1)	Base as of 4/30/94 (last calculation)		$280,000,000	
(2)	Plus:	50% of Consolidated Net Income	___________	
(3)	Plus:	100% of Net Cash Proceeds		

		from Equity Offerings	___________	
(4)	Plus:	85% of Net Non-Cash Proceeds from Equity Offerings	___________	
(5)	Minimum Required Tangible Net Worth			___________

C. SECTION 5.07 LEVERAGE

(1)	Consolidated Funded Debt	___________	
(2)	Capital	___________	
(3)	Actual Debt to Capital Ratio		___________
(4)	Maximum Allowed:		0.35

III. The undersigned, an Authorized Representative of Borrower, hereby certifies that:

(i) He is familiar with and knowledgeable of all the terms, agreements, provisions, warranties, representations and covenants of the Credit Agreement and the other Loan Documents;

(ii) His name appears on the specimen of signatures and incumbency certificate delivered to the Agent by the Borrower and now in effect, and he is authorized to execute this Certificate on behalf of the Borrower;

(iii) All of the figures and information set forth herein and in any schedules attached hereto are, to the best of his knowledge, true and correct as of the date of this Certificate and have been prepared, presented, computed and calculated in accordance with the respective provisions of the Credit Agreement;

(iv) As of and on the date of this Certificate, to the best of his knowledge, no condition, event or act which constitutes a Default or an Event of Default under the Credit Agreement exists, or will exist upon the making of any Revolving Loan requested above, except as follows:
____

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____;

(v) The representations and warranties of the Borrower made or referred to in the Credit Agreement and the other Loan Documents (other than those representations and warranties that are by their express terms limited to the date of the instrument in which they are initially made or in respect to which each such change shall be and has been communicated, in writing, to the bank and approved, in writing, by the Agent) are, to the best of his knowledge, true and correct in all material respects as of and on the date of this Certificate, except as follows:
____

____; and

(vi) There has been, to the best of his knowledge, no material adverse change in the condition, financial or otherwise, of the Borrower on a consolidated basis, since the date of the financial statements (audited or unaudited, as the case may be) of the Borrower most recently prepared and delivered to Agent, except as follows:

____.

Dated as of this ____ day of ____________, 199__.

NOBLE DRILLING CORPORATION

By:_____________________________________
Name:___________________________________
Title:__________________________________

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EXHIBIT 10.2

REVOLVING CREDIT NOTE

$12,500,000.00 June 16, 1994

NOBLE DRILLING CORPORATION, a Delaware corporation (the "Borrower"), for value received, promises to pay to the order of CREDIT LYONNAIS CAYMAN ISLAND BRANCH (the "Bank"), at the offices of FIRST INTERSTATE BANK OF TEXAS, N. A. (the "Agent"), at 1000 Louisiana, 3rd Floor, Houston, Texas 77002, the principal sum of TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($12,500,000.00), or such lesser amount as shall equal the aggregate unpaid principal amount of the Revolving Loans made by Bank hereunder to the Borrower under the Credit Agreement, as hereafter defined, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement referred to below, and to pay interest on the unpaid principal amount as provided in the Credit Agreement for such Revolving Loans made by the Bank to the Borrower under the Credit Agreement, at such office, in like money and funds, for the period commencing on the date of each such Revolving Loan until such Revolving Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

In addition to and cumulative of any payments required to be made against this Note pursuant to the Credit Agreement, this Note, including all principal and accrued interest then unpaid shall be due and payable on June 15, 1996, its final maturity. All payments shall be applied first to accrued unpaid interest and the balance to principal, except as otherwise expressly provided in the Credit Agreement. Prepayments on this Note shall be applied in the manner set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement dated as of the 16th day of June, 1994, by and among the Borrower and First Interstate Bank of Texas, N. A., individually, and as Agent, and the financial institutions party thereto (including the Bank) (such Credit Agreement, together with all amendments or supplements thereto, being the "Credit Agreement"). This Note evidences the Revolving Loans made by the Bank thereunder and shall be governed by the Credit Agreement. Capitalized terms used in this Note and not defined in this Note, but which are defined in the Credit Agreement, have the respective meanings herein as are assigned to them in the Credit Agreement.

This Note is a revolving credit note and it is contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder; but notwithstanding such occurrence, this Note shall remain valid

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and shall be full force and effect as to each principal advance made hereunder subsequent to each occurrence.

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The Bank is hereby authorized by the Borrower to endorse on Schedule A (or a continuation thereof) attached to this Note, the Type of each Revolving Loan, the amount and date of each payment or prepayment of principal of each such Revolving Loan received by the Bank and the Interest Periods and interest rates applicable to each Revolving Loan, provided that any failure by the Bank to make any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement or under this Note in respect of such Revolving Credit Loans.

It is the intent of the Bank and the Borrower in the execution and performance of this Note to remain in strict compliance with Applicable Law from time to time in effect. In furtherance thereof, the Bank and the Borrower stipulate and agree that none of the terms and provisions contained in this Note, or in the Credit Agreement or any document securing or otherwise relating to this Note, shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the maximum rate or amount of interest permitted to be charged under Applicable Law. For purposes of this Note "interest" shall include the aggregate of all charges which constitutes interest under Applicable Law that are contracted for, charged, reserved, received or paid under this Note. The Borrower shall never be required to pay unearned interest and shall never be required to pay interest at a rate or in an amount in excess of the maximum rate or amount or interest that may be lawfully charged under Applicable Law, and the provisions of this paragraph shall control over all other provisions of this Note, the Credit Agreement and any other instrument pertaining to or securing this Note, which may be in apparent conflict herewith. If this Note is prepaid, or if the maturity of this Note is accelerated for any reason, or if under any other contingency the effective rate or amount of interest which would otherwise be payable under this Note would exceed the maximum rate or amount of interest the Bank or the holder of this Note is allowed by Applicable Law to charge, contract for, take, reserve or receive, or in the event that the Bank or any holder of this Note shall charge, contract for, take, reserve or receive monies deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under this Note to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under Applicable Law then in effect, then the principal amount of this Note or the amount of interest which would otherwise be payable under this Note or both shall be reduced to the amount allowed under Applicable Law as now or hereinafter construed by the

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courts having jurisdiction, and all such monies so charged, contracted for, taken, reserved or received are deemed to constitute interest in excess of the maximum rate or maximum amount of interest permitted by Applicable Law shall immediately be returned to or credited to the account of the Borrower upon such determination. The Bank and the Borrower further stipulate and agree that without limitation of the foregoing, all calculations of the rate or the amount of interest contracted for, charged, taken, reserved or received under this Note which are made for the purpose of determining whether such rate or amount exceeds the maximum lawful rate or amount, shall be made to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading during the period of the full stated term of this Note, all

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interest at any time contracted for, charged, taken, reserved or received from the Borrower or otherwise by the Bank or the holders of this Note.

The Borrower and all sureties, endorsers and guarantors of this Note waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity and all other notices, filing of suit and diligence in collecting this Note or enforcing any of the security herefor, and agree to any substitution, exchange or release of any such security or guaranty, release of any party primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by such holder, to first institute suit or exhaust its remedies against any security herefor or guarantor hereof, and consent to any one or more extensions or postponements of time of payment of this Note on any terms or any other indulgences with respect hereto, without notice thereof to any of them. Each such person agrees that his, her or its liability on or with respect to this Note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or maintain perfection of any lien against or security interest in any such security or the partial or complete enforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

The Credit Agreement, as at any time amended, provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayment of Revolving Loans upon the terms and conditions specified therein. Reference is hereby made to the Credit Agreement for all other pertinent purposes.

This Note is issued pursuant to and is entitled to the benefits of the Credit Agreement.

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THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.

NOBLE DRILLING CORPORATION

/s/ BYRON L. WELLIVER

By:_______________________________________

Byron L. Welliver, Senior Vice President - Finance and Treasurer

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EXHIBIT 10.3

REVOLVING CREDIT NOTE

$12,500,000.00 June 16, 1994

NOBLE DRILLING CORPORATION, a Delaware corporation (the "Borrower"), for value received, promises to pay to the order of FIRST INTERSTATE BANK OF TEXAS, N.A. (the "Bank"), at the offices of FIRST INTERSTATE BANK OF TEXAS, N.A. (the "Agent"), at 1000 Louisiana, 3rd Floor, Houston, Texas 77002, the principal sum of TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS DOLLARS ($12,500,000.00), or such lesser amount as shall equal the aggregate unpaid principal amount of the Revolving Loans made by Bank hereunder to the Borrower under the Credit Agreement, as hereafter defined, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement referred to below, and to pay interest on the unpaid principal amount as provided in the Credit Agreement for such Revolving Loans made by the Bank to the Borrower under the Credit Agreement, at such office, in like money and funds, for the period commencing on the date of each such Revolving Loan until such Revolving Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

In addition to and cumulative of any payments required to be made against this Note pursuant to the Credit Agreement, this Note, including all principal and accrued interest then unpaid shall be due and payable on June 15, 1996, its final maturity. All payments shall be applied first to accrued unpaid interest and the balance to principal, except as otherwise expressly provided in the Credit Agreement. Prepayments on this Note shall be applied in the manner set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement dated as of the 16th day of June, 1994, by and among the Borrower and First Interstate Bank of Texas, N. A., individually, and as Agent, and the financial institutions party thereto (including the Bank) (such Credit Agreement, together with all amendments or supplements thereto, being the "Credit Agreement"). This Note evidences the Revolving Loans made by the Bank thereunder and shall be governed by the Credit Agreement. Capitalized terms used in this Note and not defined in this Note, but which are defined in the Credit Agreement, have the respective meanings herein as are assigned to them in the Credit Agreement.

This Note is a revolving credit note and it is contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder; but notwithstanding such occurrence, this Note shall remain valid and shall be in full force and effect as to each principal advance made

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hereunder subsequent to each such occurrence.

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____

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The Bank is hereby authorized by the Borrower to endorse on Schedule A (or a continuation thereof) attached to this Note, the Type of each Revolving Loan, the amount and date of each payment or prepayment of principal of each such Revolving Loan received by the Bank and the Interest Periods and interest rates applicable to each Revolving Loan, provided that any failure by the Bank to make any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement or under this Note in respect of such Revolving Credit Loans.

It is the intent of the Bank and the Borrower in the execution and performance of this Note to remain in strict compliance with Applicable Law from time to time in effect. In furtherance thereof, the Bank and the Borrower stipulate and agree that none of the terms and provisions contained in this Note, or in the Credit Agreement or any document securing or otherwise relating to this Note, shall ever be construed to create a contract to pay for the use, forbearance or detention of money with interest at a rate or in an amount in excess of the maximum rate or amount of interest permitted to be charged under Applicable Law. For purposes of this Note "interest" shall include the aggregate of all charges which constitutes interest under Applicable Law that are contracted for, charged, reserved, received or paid under this Note. The Borrower shall never be required to pay unearned interest and shall never be required to pay interest at a rate or in an amount in excess of the maximum rate or amount or interest that may be lawfully charged under Applicable Law, and the provisions of this paragraph shall control over all other provisions of this Note, the Credit Agreement and any other instrument pertaining to or securing this Note, which may be in apparent conflict herewith. If this Note is prepaid, or if the maturity of this Note is accelerated for any reason, or if under any other contingency the effective rate or amount of interest which would otherwise be payable under this Note would exceed the maximum rate or amount of interest the Bank or the holder of this Note is allowed by Applicable Law to charge, contract for, take, reserve or receive, or in the event that the Bank or any holder of this Note shall charge, contract for, take, reserve or receive monies deemed to constitute interest which would, in the absence of this provision, increase the effective rate or amount of interest payable under this Note to a rate or amount in excess of that permitted to be charged, contracted for, taken, reserved or received under Applicable Law then in effect, then the principal amount of this Note or the amount of interest which would otherwise be payable under this Note or both shall be reduced to the amount allowed under Applicable Law as now or hereinafter construed by the

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courts having jurisdiction, and all such monies so charged, contracted for, taken, reserved or received are deemed to constitute interest in excess of the maximum rate or maximum amount of interest permitted by Applicable Law shall immediately be returned to or credited to the account of the Borrower upon such determination. The Bank and the Borrower further stipulate and agree that without limitation of the foregoing, all calculations of the rate or the amount of interest contracted for, charged, taken, reserved or received under this Note which are made for the purpose of determining whether such rate or amount exceeds the maximum lawful rate or amount, shall be made to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading during the period of the full stated term of this Note, all

BW

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Initials for Identification

interest at any time contracted for, charged, taken, reserved or received from the Borrower or otherwise by the Bank or the holders of this Note.

The Borrower and all sureties, endorsers and guarantors of this Note waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate maturity, notice of acceleration of maturity and all other notices, filing of suit and diligence in collecting this Note or enforcing any of the security herefor, and agree to any substitution, exchange or release of any such security or guaranty, release of any party primarily or secondarily liable hereon and further agree that it will not be necessary for any holder hereof, in order to enforce payment of this Note by such holder, to first institute suit or exhaust its remedies against any security herefor or guarantor hereof, and consent to any one or more extensions or postponements of time of payment of this Note on any terms or any other indulgences with respect hereto, without notice thereof to any of them. Each such person agrees that his, her or its liability on or with respect to this Note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or maintain perfection of any lien against or security interest in any such security or the partial or complete enforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

The Credit Agreement, as at any time amended, provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayment of Revolving Loans upon the terms and conditions specified therein. Reference is hereby made to the Credit Agreement for all other pertinent purposes.

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This Note is issued pursuant to and is entitled to the benefits of the Credit Agreement.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.

NOBLE DRILLING CORPORATION

By: /s/ BYRON L. WELLIVER
____

Byron L. Welliver, Senior Vice President - Finance and Treasurer

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EXHIBIT 10.4

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT ("Guaranty") is executed by each of the corporations signatory hereto (collectively, the "Guarantors", and each individually a "Guarantor"), in favor of First Interstate Bank of Texas, N.A., a national banking association in its individual capacity and as agent for the Banks party to that certain Credit Agreement dated as of June 16, 1994 between Noble Drilling Corporation, a Delaware corporation ("Borrower") and such Banks.

WHEREAS, each Guarantor hereby acknowledges and agrees that the financial accommodations to be made to Borrower pursuant to the Credit Agreement (as hereinafter defined) will materially benefit Borrower and each Guarantor, and in recognition of this fact, each Guarantor desires to secure the payment of any and all indebtedness, obligations and liabilities to Agent or to Banks now, heretofore or hereafter arising under, or in connection with the Guaranteed Indebtedness (as hereinafter defined);

WHEREAS, the Banks are not willing to make the loans under the Credit Agreement or otherwise extend credit to Borrower unless the Guarantors unconditionally and irrevocably guarantee payment of all present and future indebtedness and obligations of the Borrower to the Banks,

NOW, THEREFORE, in consideration of credit and financial accommodations extended or to be extended to the Borrower, by and for other good, fair and valuable considerations and reasonably equivalent value, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

Section 1.01. Guaranty of Obligation. Guarantors hereby irrevocably, jointly and severally, and unconditionally guarantee to the Agent and to each of the Banks and their respective successors and assigns, when due (and howsoever such due date or maturity shall arise), (i) the due and punctual payment of the Guaranteed Debt as that term is hereinafter defined; and (ii) the performance of all other obligations, liabilities, covenants and agreements under the Credit Agreement. Guarantors hereby irrevocably and unconditionally covenant and agree that each is jointly and severally liable for the Guaranteed Debt as primary obligor.

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Section 1.02. Definitions.

(a) As used herein, the following capitalized terms shall have the following meanings:

"Agent" means First Interstate Bank of Texas, N.A., as agent for the Banks party to the Credit Agreement, or such Person as is successor thereto as "agent" for the Banks.

"Banks" means each of the banks party to the Credit Agreement and such banks' respective successors and assigns.

"Borrower" means Noble Drilling Corporation, a Delaware corporation.

"Credit Agreement" means that certain Credit Agreement dated as of June 16, 1994, by and among Borrower, the Agent, and the banks party thereto, which provides for a revolving credit facility of up to $25,000,000 and for the issuance of Letters of Credit in the face amount of up to $5,000,000.

"Debtor Laws" means any federal, or state bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance, preferential transfer or similar laws and judicial decisions, relating to or affecting the enforcement of creditors' rights generally.

"Guaranteed Debt" means:

(a) all principal, interest, reasonable attorneys' fees, commitment fees, other fees, reimbursement obligations arising in connection with letters of credit issued in connection with the Credit Agreement, liabilities for costs and expenses and other indebtedness, obligations and liabilities of Borrower to the Agent or to the Banks at any time arising under the Credit Agreement, including, without limitation, all indebtedness, obligations and liabilities arising under the Notes and each and every scheduled payment of principal and/or interest as provided therein, and under any renewals, extensions, increases, refinancings and rearrangements of the Notes.

(b) all post petition interest on indebtedness, obligations and liabilities of Borrower described in clause (a) above in the event of bankruptcy of Borrower, or any of the Guarantors; and

(c) all costs, expenses and fees, including, without limitation, court costs and reasonable attorneys' fees, arising in connection with the enforcement or collection (whether or not any proceeding is commenced in connection therewith) of any or all amounts, indebtedness, obligations and

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liabilities of Borrower to the Agent or to the Banks described in clauses (a) and (b) above.

"Notes" means each of the revolving notes made by Borrower to the order of each of the Banks, executed pursuant to the Credit Agreement.

(b) Capitalized items used and not otherwise defined herein shall have the meanings set forth therefor in the Credit Agreement.

Section 1.03. Indebtedness Not Reduced by Offset. The Guaranteed Debt shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other Person, against Agent or Banks or against payment of the Guaranteed Debt, whether such offset, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise. Without limiting the foregoing or the Guarantors' liability hereunder, to the extent that the Agent or any of the Banks advances funds or extends credit to Borrower, and does not receive payments or benefits thereon in the amounts and at the time required or provided by applicable agreements or Laws, each of the Guarantors is absolutely liable to make such payments to (and confer such benefits on) each of the Banks and the Agent, on a timely basis.

Section 1.04. "Borrower" to Include New Corporations. The term "Borrower" as used herein shall include any successor corporation, partnership, association or other entity formed as a result of any reformation by, or merger or reorganization of, Noble Drilling Corporation, a Delaware corporation.

Section 1.05. Payment by Guarantors. If all or any part of the Guaranteed Debt shall not be punctually paid when due, whether at maturity or earlier by acceleration or otherwise, Guarantors shall, immediately upon demand by the Agent or the Banks, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate, notice of acceleration or any other notice whatsoever, pay in lawful money of the United States of America, the amount due on the Guaranteed Debt to Agent at Agent's principal office in Houston, Texas. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Debt is due, but not punctually paid, and may be made from time to time with respect to the same or different items of Guaranteed Debt. Such demand shall be deemed made, given and received in accordance with Section 5.02 hereof.

Section 1.06. No Duty to Pursue Others. It shall not be necessary for the Agent or the Banks (and each of the Guarantors hereby waives any rights which Guarantors may have to require the Agent or the Banks), in order to enforce such payment by any of the Guarantors, first to (i) institute suit or exhaust its rights against Borrower or other Persons now or hereafter liable on the Guaranteed Debt, or any other Person, (ii) enforce the Agent's or the

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Banks' rights against any security which shall ever have been given to secure the Guaranteed Debt, (iii) enforce the Agent's or the Banks' rights against any other guarantors of the Guaranteed Debt, (iv) join Borrower, or any other Persons now or hereafter liable on the Guaranteed Debt in any action seeking to enforce this Guaranty Agreement, (v) exhaust any rights available to the Agent or to the Banks against any security or guarantor which shall ever have been given to secure the Guaranteed Debt, or (vi) resort to any other means of obtaining payment of the Guaranteed Debt. Neither the Agent nor the Banks shall be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Debt.

Section 1.07. Waiver of Notices, etc. Each of the Guarantors agrees to the provisions of the Notes, the Credit Agreement and the other Loan Documents, and, except as specifically set forth in this Guaranty Agreement, hereby waives notice of (i) any loans or advances, or the issuance of any Letters of Credit, by the Agent or by the Banks to or at the request of Borrower, (ii) acceptance of this Guaranty Agreement, (iii) any amendment, modification, extension for any period, increase, refinancing or rearrangement of the Notes or any supplement, modifications, amendment and/or restatement of the Credit Agreement or of any of the other Loan Documents, (iv) the occurrence of any breach by Borrower, or any Default or Event of Default, (v) the Agent's or any of the Banks' transfer or disposition of the Guaranteed Debt, or any part thereof, (vi) the sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Debt, (vii) protest, proof of non-payment or default by Borrower, or (viii) any other action at any time taken or omitted by the Agent or the Banks, and, generally, all demands and notices of every kind in connection with this Guaranty Agreement, the Credit Agreement and the other Loan Documents.

Section 1.08. Nature of Guaranty. This Guaranty Agreement is an irrevocable, absolute and continuing guaranty of payment and not a guaranty of collection. This Guaranty Agreement may not be revoked by any of the Guarantors and shall continue to be effective with respect to any Guaranteed Debt arising or created after any attempted revocation by any of the Guarantors. The fact that at any time or from time to time the Guaranteed Debt may be increased, reduced or paid in full shall not release, discharge or reduce the obligations of Guarantors with respect to the indebtedness or obligations of Borrower, to the Agent or the Banks thereafter incurred (or other Guaranteed Debt thereafter arising) under the Notes or otherwise. This Guaranty may be enforced by the Agent or the Banks and by any subsequent holder or holders of the Guaranteed Debt and shall not be discharged by the assignment or negotiation of all or part of the Guaranteed Debt. Guarantors guarantee that the Guaranteed Debt will be paid strictly in accordance with the terms of the Notes, the Credit Agreement and the other Loan Documents, regardless of any

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law of any tribunal affecting any such terms or the rights of the Agent or the Banks with respect thereto. The liability of the Guarantors under this Guaranty Agreement shall be irrevocable, absolute and unconditional irrespective of any change in the time, manner or place of payment of, or in any other term of, all or any part of the Guaranteed Debt under the Notes, the Credit Agreement or the other Loan Documents, or any other amendment, waiver of or any consent to the departure from the Notes, the Credit Agreement or the other Loan Documents.

Section 1.09. Payment of Expenses. In the event that any of the Guarantors breaches or fails to timely perform any provisions of this Guaranty Agreement, each of the Guarantors agrees to pay to the Agent or to the Banks all costs and expenses (including court costs and reasonable attorneys' fees) incurred by the Agent or by the Banks in the enforcement hereof or the preservation of the Banks' rights hereunder. The covenant contained in this Section 1.09 shall survive the payment of the Guaranteed Debt.

Section 1.10. Effect of Bankruptcy. Pursuant to any Debtor Laws, or any judgment, order or decision thereunder, in the event that, within four years after the payment thereof, any of the Banks or the Agent must rescind or restore any payment, or any part thereof, received by the any of the Banks or the Agent in satisfaction of the Guaranteed Debt, as set forth herein, then any prior release or discharge from the terms of this Guaranty Agreement given to any of the Guarantors by any of the Banks or the Agent shall be without effect, and this Guaranty Agreement shall remain in full force and effect. Each of the Guarantors' obligations hereunder shall not be discharged except by Guarantors' performance of such obligations and then only to the extent of such performance. The covenant contained in this Section 1.10 shall survive the payment of the Guaranteed Debt, and any portion thereof.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING ANY GUARANTORS' OBLIGATIONS

Each of the Guarantors hereby agrees that the liability of Guarantors under this Guaranty Agreement is irrevocable, absolute and unconditional. Each of the Guarantors consents and agree to each of the following, and each of the Guarantors further agrees that each of the Guarantors' obligations under this Guaranty Agreement shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any common law, equitable or statutory, or other rights (including, without limitation, rights to notice) which any such Guarantors might otherwise have as a result of or in connection with any of the following:

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Section 2.01. Modifications, etc. Any renewal, extension for any period, increase, amendment, modification, alteration, supplement or rearrangement of all or any part of the Guaranteed Debt, the Notes, the Credit Agreement or of any of the other Loan Documents or understandings or agreements between Borrower, and the Agent or the Banks, or any other Persons, pertaining to the Guaranteed Debt;

Section 2.02. Adjustment, etc. Any adjustment, indulgence, forbearance or compromise that might be granted or given by the Agent or the Banks to Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt;

Section 2.03. Condition of Borrower or Guarantors. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, or any other Person now or hereafter liable for the payment of all or part of the Guaranteed Debt, including any of the Guarantors; or any dissolution of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt, or any sale, lease or transfer of any or all of the assets or properties of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt, or any changes in the shareholders, partners, members or other composition of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt; or any reorganization of Borrower, or any one or more of the Guarantors or any other guarantor of the Guaranteed Debt;

Section 2.04. Invalidity of Guaranteed Debt. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Debt, the Notes, the Credit Agreement or any of the other Loan Documents, for any reason whatsoever, including without limitation the fact that (i) the Guaranteed Debt, or any part thereof, exceeds the amount permitted by Law, (ii) the act of creating the Guaranteed Debt or any part thereof is ultra vires, (iii) the officers, partners or representatives executing the Notes, the Credit Agreement or the other Loan Documents acted in excess of their authority, (iv) the Guaranteed Debt violates applicable usury Laws, (v) Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Debt wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Debt (or the execution, delivery and performance of any Loan Document) is illegal, uncollectible or unenforceable, or (vii) the Notes, the Credit Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic;

Section 2.05. Release of Obligors. Any full or partial release of the liability of Borrower on the Guaranteed Debt or any part thereof, or any other

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Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Debt or any part thereof, it being recognized, acknowledged and agreed by Guarantors that any Guarantors may be required to pay the Guaranteed Debt in full without assistance or support of any other Person, and none of the Guarantors has been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that the Agent or any of the Banks will look solely to other Persons to perform the Guaranteed Debt;

Section 2.06. Other Security. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Debt;

Section 2.07. Release of Collateral, etc. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent or unreasonable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Debt;

Section 2.08. Care and Diligence. The failure of the Agent or the Banks or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

Section 2.09. Status of Liens. The fact that any collateral, security or Lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Debt shall not be properly perfected or created or continuously perfected or in existence, or shall prove to be unenforceable or subordinate to any other Lien, it being recognized and agreed by Guarantors that none of the Guarantors is entering into this Guaranty Agreement in reliance on, or in contemplation of the

benefits of, the validity, enforceability, collectability or value of any collateral for the Guaranteed Debt;

Section 2.10. Offset. The Guaranteed Debt guaranteed hereby, and the liabilities and obligations of each of the Guarantors to the Agent and the Banks hereunder, shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, recoupment, claim or defense of Borrower against the Agent or the Banks, or any other Person, or against payment of the Guaranteed Debt, whether such right of offset, recoupment, claim or defense arises in connection with the Guaranteed Debt (or the transactions creating the Guaranteed Debt) or otherwise;

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Section 2.11. Incorporation/Merger. The reorganization, merger or consolidation of Borrower, into or with any other corporation, partnership or other entity or form;

Section 2.12. Preference. Any payment by Borrower, to the Agent or the Banks is held to constitute a preference under Debtor Laws, or for any reason the Agent or any of the Banks is required to refund such payment or pay such amount to Borrower, or any other Person; or

Section 2.13. Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Guaranteed Debt, the Notes, the Credit Agreement or any of the other Loan Documents, or the security and collateral therefor, whether or not such action or omission prejudices Guarantors or increases the likelihood that Guarantors will be required to pay the Guaranteed Debt pursuant to the terms hereof including, without limitation, any Advances made by the Agent or the Banks to Borrower, following any Default or Event of Default; it is the unambiguous and unequivocal intention of each of the Guarantors that each of the Guarantors shall be absolutely obligated to pay the Guaranteed Debt when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Guaranteed Debt.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

To induce Banks to enter into the Credit Agreement and the other Loan Documents and to induce Banks to make the loans and otherwise extend credit to Borrower, each of the Guarantors represents, warrants and covenants to each of the Agents and the Banks that:

Section 3.01. Familiarity and Reliance. Each of the Guarantors is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower; however, none of the Guarantors are relying on such financial condition or any collateral as an inducement to enter into this Guaranty Agreement.

Section 3.02. No Representation by Banks. Neither the Agent nor the Banks nor any other Person has made any representation, warranty or statement to any of the Guarantors in order to induce each of the Guarantors to execute this Guaranty Agreement except as heretofore provided in the recitals of this Guaranty Agreement.

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Section 3.03. Benefit. Each of the Guarantors is a direct or indirect subsidiary of the Borrower, and such entity derives benefit from its relationship with the Borrower in connection with the ownership and operation of the business of the Borrower and its Subsidiaries, and as a result thereof, each of the Guarantors has received, or will receive, direct or indirect benefit and reasonably equivalent value from the making of this Guaranty Agreement.

Section 3.04. Determination of Benefit. The Board of Directors of each of the Guarantors has determined that this Guaranty Agreement directly or indirectly benefits each of the Guarantors and is in the best interests of each of the Guarantors.

Section 3.05. Legality. The execution, delivery and performance by each of the Guarantors of this Guaranty Agreement and the consummation of the transactions contemplated hereunder do not, and will not, contravene or violate any Law to which any of the Guarantors is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any Lien to which any of the Guarantors is a party or which may be applicable to each of the Guarantors or any of their respective assets. This Guaranty Agreement is a legal and binding obligation of each of the Guarantors and is enforceable in accordance with its terms, except as limited by Debtor Laws.

Section 3.06. Use of Proceeds; Margin Stock. None of the proceeds from the Loans will be used, for the purpose of purchasing or carrying any "margin stock" as defined in Regulations G, T, U or X, or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry a "margin stock" or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of Regulations G, T, U or X. Guarantors have not taken and will not take any action which might cause any of the Loan Documents to violate or be subject to Regulations G, T, U or X, or any other regulations of the Board of Governors of the Federal Reserve System or to violate Section 8 of the Securities Exchange Act of 1934 or any rule or regulation thereunder, in each case as now or hereafter may be in effect at the time such proceeds were used.

Section 3.07. Loan Documents. To the extent that each of the Guarantors is a party to any of the Loan Documents, each such Loan Document is the legal and binding obligation of such Person, enforceable in accordance with its terms. None of the Guarantors have or has asserted, and none are aware of, any claims, defenses, offset rights or similar rights or remedies with respect to, or any defect in, the Loan Documents, which in any manner or effect would diminish or impair any rights, Liens, privileges, benefits and remedies of the Agent or the Banks as contemplated by the Loan Documents, or would preclude the Agent or the Banks from enforcing and collecting the Obligations in the amount and manner as provided in the Loan Documents. None of the Guarantors has revoked any of its obligations under any Loan

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Document to which it is a party, and none has requested and/or received a release or termination of its obligations thereunder. The Agent and the Banks are authorized to rely upon all representations, warranties, statements and other information, with respect to the Borrower and its Affiliates, set forth in the Loan Documents, as true and correct on the date hereof. Each of the Guarantors hereby represents and warrants that the representations and warranties pertaining to it as set forth in the Credit Agreement are true and correct on the date hereof.

Section 3.08. Survival. All representations and warranties made by each of the Guarantors herein shall survive the execution hereof.

ARTICLE IV

SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.01. Subordination of All Guarantors Claims. As used herein, the term "Guarantors Claims" shall mean all debts and liabilities of Borrower, to any of the Guarantors, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Borrower, thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by notes, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by any of the Guarantors. After the occurrence of a Default, and so long thereafter as such Default continues, until the Guaranteed Debt shall be paid and satisfied in full and the Guarantors shall have performed all obligations hereunder, none of the Guarantors shall receive or collect, directly or indirectly, from Borrower any amount upon the Guarantors Claims. The Guarantors Claims shall not include all rights and claims of any of the Guarantors against the Borrower (arising as a result of subrogation or otherwise) as a result of any Guarantor's payment of all or a portion of the Guaranteed Debt. UNTIL ALL OF THE OBLIGATIONS HAVE BEEN PAID AND PERFORMED IN FULL, EACH OF THE GUARANTORS EXPRESSLY AND SPECIFICALLY WAIVES ANY AND ALL RIGHTS, WHETHER ARISING BY LAW OR AGREEMENT OR OTHERWISE, TO REIMBURSEMENT, CONTRIBUTION, SUBROGATION, EXONERATION AND INDEMNIFICATION, AND TO PARTICIPATE IN ANY CLAIM OR REMEDY OF ANY OF THE AGENT OR THE BANKS OR ANY OTHER PERSON AGAINST BORROWER, OR ANY OTHER PERSON, WITH RESPECT TO THE GUARANTEED DEBT. EACH OF THE GUARANTORS HAS CONSULTED WITH LEGAL COUNSEL OF ITS OWN CHOOSING AS TO THE EFFECT OF THE FOREGOING WAIVERS. If any Guarantor shall make payment to Lender of all or any portion of the Obligations, and if all of the Obligations shall be finally paid in full, Agent will, at such Guarantor's request and expense, execute and deliver to such Guarantor (without recourse, representation or warranty) appropriate documents necessary to evidence the

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transfer by subrogation to such Guarantor of an interest in the Obligations resulting from such payment by such Guarantor; provided that such transfer shall be subject to Section 1.10 above.

Section 4.02. Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Borrower as debtor, the Agent and the Banks shall have the right to prove the claims of the Banks (and of the Agent, if any) in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends, distributions and payments which would otherwise be payable upon Guarantors Claims. Each of the Guarantors hereby assigns such dividends, distributions and payments to the Agent for the benefit of the Banks. Should the Agent or the Banks receive, for application upon the Guaranteed Debt, any such dividend or payment which is otherwise payable to any of the Guarantors, and which, as between Borrower and Guarantors, shall constitute a credit upon the Guarantors Claims, then upon payment to Banks in full of the Guaranteed Debt, each of the Guarantors shall become subrogated to the rights of the Agent and the Banks to the extent that such payments to the Agent and the Banks on the Guarantors Claims have contributed toward the liquidation of the Guaranteed Debt, and such subrogation shall be with respect to that proportion of the Guaranteed Debt which would have been unpaid if Agent and the Banks had not received dividends or payments upon the Guarantors Claims.

Section 4.03. Payments Held in Trust. In the event that, notwithstanding Sections 4.01 and 4.02 above, any of the Guarantors should receive any funds, payment, claim or distribution which is prohibited by such Sections, each of the Guarantors, unless otherwise directed in writing by the Agent or the Banks, agree to immediately notify the Agent of receipt of same and to hold in trust for the Banks an amount equal to the amount of all funds, payments, claims or distributions so received, and agree that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions, except to pay them promptly to the Agent for the benefit of the Banks, and Guarantors covenant to immediately pay the same to the Agent for the benefit of the Banks.

Section 4.04. Liens Subordinate. Each of the Guarantors agrees that any Liens upon the assets and properties of Borrower, securing payment of the Guarantors Claims shall be and remain inferior and subordinate to any Liens upon the assets and properties of Borrower securing payment of the Guaranteed Debt, regardless of whether such Liens in favor of any of the Guarantors or the Agent for the benefit of the Banks presently exist or are hereafter created or attach. Without the prior written consent of the Agent, none of the Guarantors shall (i) exercise or enforce any rights it may have against Borrower, or (ii)

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foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any Liens on assets of Borrower, held by any of the Guarantors.

ARTICLE V

MISCELLANEOUS

Section 5.01. Waiver. No failure to exercise, and no delay in exercising, on the part of the Agent or the Banks, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of the Agent and the Banks hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty Agreement, nor consent to departure therefrom, shall be effective unless in writing and signed by Banks and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.02. Notices. Except for telephonic notices permitted herein, any notices or other communications required or permitted to be given by this Agreement or any other Loan Documents and instruments referred to herein must be (i) given in writing and personally delivered or mailed by prepaid certified or registered mail, or (ii) made by telex or telecopy delivered or transmitted, to the party to whom such notice of communication is directed, to the address of such party as follows: (a) if to Guarantors, c/o Noble Drilling Corporation, 10370 Richmond Avenue, Suite 400, Houston, Texas 77042, Fax Number: (713) 974-3181, Attention: Byron L. Welliver, Sr. Vice President - Finance and Treasurer, with copy to Thompson & Knight, a Professional Corporation, 1700 Pacific Avenue, Suite 3300, Dallas, Texas 75201, Fax Number: (214) 969-1751, Attention: Robert D. Campbell, Esq.; and (b) if to Agent, as set forth therefor in the Credit Agreement, and if to the Banks, then in care of the Agent, all with copy to Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas 77010, Fax Number: (713) 651-5246, Attention: Joshua P. Agrons; provided however, the failure of any of the Guarantors, Agent or the Banks to provide a copy of any notice or other communication to the other party's counsel as specified in the foregoing clause shall not affect the effectiveness, legitimacy and significance of any notice or other communication sent by any of the Guarantors to the Agent or the Banks, or the Agent of any of the Guarantors, so long as such notice or other

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communication is otherwise in compliance with this Section 5.02. Any notice to be mailed or personally delivered may be mailed or delivered to the principal offices of the party to whom such notice is addressed. Any such notice or other communication shall be deemed to have been given (whether actually received or not) on the day it is mailed or personally delivered as aforesaid or, if transmitted by telex, on the day that such notice is transmitted as aforesaid; provided, however, that any telephonic or other notice received by a party after 11:00 a.m. (Houston, Texas time) on any day shall be deemed to have been given on the next succeeding day. Any party may change its address for purposes of this Agreement by giving notice of such change to the other party pursuant to this Article 5.02.

Section 5.03. Entirety and Amendments. This Guaranty Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof and this Guaranty Agreement may be amended only by an instrument in writing executed by the parties hereto.

Section 5.04. Parties Bound; Assignment. This Guaranty Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, none of the Guarantors may, without the prior written consent of the Agent, assign any of its rights, duties or obligations hereunder.

Section 5.05. Multiple Parties. Anyone signing this Guaranty Agreement shall be bound thereby, whether or not any other party signs this Guaranty Agreement or is released therefrom at any time. It is specifically agreed that the Agent may enforce the provisions hereof with respect to one or more of the Guarantors without seeking to enforce the same as to all or any other such parties, and each of the Guarantors hereby waives any requirement of joinder of all or any other of the other parties hereto in any suit or proceeding to enforce the provisions hereof. The obligations created by this Guaranty Agreement shall be joint and several (and not merely joint) with respect to each of the Guarantors.

Section 5.06. Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty Agreement.

Section 5.07. Rights and Remedies. If any of the Guarantors becomes liable for any indebtedness owing by any of the Borrower to the Agent or to the Banks, by endorsement or otherwise, other than under this Guaranty Agreement, such liability shall not be in any manner impaired or affected hereby and the rights of the Agent and the Banks hereunder shall be cumulative of any and all

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other rights of the Agent or the Banks hereunder that Banks may have against any of the Guarantors. The exercise by the Agent or the Banks of any right under this Guaranty Agreement, the Credit Agreement, any of the other Loan Documents, any other instrument, document or agreement, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right.

Section 5.08. Multiple Counterparts. This Guaranty Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Guaranty Agreement by signing any such counterpart.

Section 5.09. Choice of Law. THIS GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS.

Section 5.10. Submission to Jurisdiction. To the extent not expressly prohibited by law from time to time in effect, each of the Guarantors hereby irrevocably and unconditionally: (i) submits for itself and its property in any legal action or proceeding

relating to this Guaranty Agreement or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of Harris County, Texas, the Courts of the United States of America for the Southern District of Texas, Houston Division and Appellate Courts from any thereof; (ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that any such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Guarantor at its address set forth in Section 5.02 of this Guaranty Agreement or at such other address of which Agent shall have been notified pursuant thereto; and (iv) agrees that nothing herein shall impair the right of Agent to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

EXECUTED effective as of the day and year first above written.

GUARANTORS:

NOBLE DRILLING (U.S.), INC.

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By: /s/ BYRON L. WELLIVER

____

Byron L. Welliver
Senior Vice President

NOBLE DRILLING (WEST AFRICA), INC.

By: /s/ BYRON L. WELLIVER

____

Byron L. Welliver
Senior Vice President

NOBLE DRILLING (MEXICO), INC.

By: /s/ ALAN KRENEK

____

Alan Krenek
Treasurer

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EXHIBIT 12.1

NOBLE DRILLING CORPORATION AND SUBSIDIARIES
STATEMENT OF COMPUTATION OF EARNINGS (DEFICIENCY) AVAILABLE
TO COVER FIXED CHARGES
(Unaudited)
(In thousands)

<TABLE>
<CAPTION>

	Three months ended March 31,		Year ended December 31,				
	1994	1993	1993	1992	1991	1990	1989
Noble-Historical							
Earnings available for fixed charges:							
Income (loss) from continuing operations before income taxes and extraordinary items	$ 5,670	$ 4,244	$21,620	$ (5,844)	$(11,285)	$(7,541)	$ (9,286)
Add-fixed charges	3,052	1,087	5,715	8,148	14,994	3,450	3,110
Deduct-capitalized interest					(1,054)	(614)	
Total	8,722	5,331	27,335	2,304	2,655	(4,705)	(6,176)
Fixed charges:							
Interest and related costs	2,921	1,010	5,314	7,140	13,408	3,061	2,781
Amortization of debt expense	79		92	678	1,140		
Rental expense factor representative of interest factor	52	77	309	330	446	389	329
Total	3,052	1,087	5,715	8,148	14,994	3,450	3,110
Ratio of earnings to fixed charges	2.86	4.90	4.78				
Deficiency of earnings available to cover combined fixed charges	$	$	$	$ 5,844	$ 12,339	$ 8,155	$ 9,286
Chiles-Historical							
Earnings available for fixed charges:							
Income (loss) from continuing operations before income taxes and extraordinary items	$ 3,995	$(3,483)	$ 2,795	$(30,738)	$(25,472)	$(2,762)	$(10,531)
Add-fixed charges	51	879	3,233	6,384	8,412	4,865	8,343
Deduct-capitalized interest						(302)	
	4,046	(2,604)	6,028	(24,354)	(17,060)	1,801	(2,188)
Fixed charges:							
Interest and related costs		809	2,632	5,456	6,917	4,218	8,199
Amortization of debt expense			332	642	758	45	23
Rental expense factor representative of interest factor	51	70	269	286	737	602	121
	51	879	3,233	6,384	8,412	4,865	8,343
Ratio of earnings to fixed charges	79.33		1.86				
Deficiency of earnings available to cover combined fixed charges	$	$ 3,483	$	$ 30,738	$ 25,472	$ 3,064	$ 10,531

</TABLE>

<TABLE>
<CAPTION>

Three months ended March 31,	Year ended December 31,

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<S>	1994 <C>	1993 <C>	1993 <C>	1992 <C>	1991 <C>
Noble and Chiles-Pro Forma Combined					
Earnings available for fixed charges:					
Income (loss) from continuing operations before income taxes and extraordinary items	$ 9,665	$ 761	$24,415	$(36,282)	$(36,757)
Add-fixed charges	3,103	1,966	8,948	14,532	23,406
Deduct-capitalized interest					(1,054)
Total	12,768	2,727	33,363	(21,750)	(14,405)
Fixed charges:					
Interest and related costs	2,921	1,819	7,946	12,596	20,325
Amortization of debt expense	79		424	1,320	1,898
Rental expense factor representative of interest factor	103	147	578	616	1,183
Total	3,103	1,966	8,948	14,532	23,406
Ratio of earnings to fixed charges	4.11	1.39	3.73		
Deficiency of earnings available to cover combined fixed charges	$	$	$	$ 36,282	$ 37,811
Noble (A), Chiles and Triton-Pro Forma Combined					
Earnings available for fixed charges:					
Income (loss) from continuing operations before income taxes and extraordinary items	$10,570		$24,003		
Add-fixed charges	3,188		17,032		
Deduct-capitalized interest					
Total	13,758		41,035		
Fixed charges:					
Interest and related costs	2,921		15,554		
Amortization of debt expense	79		424		
Rental expense factor representative of interest factor	188		1,054		
Total	3,188		17,032		
Ratio of earnings to fixed charges	4.32		2.41		
Deficiency of earnings available to cover combined fixed charges	$		$		

</TABLE>

A) Noble historical amounts were adjusted to include the effects of the Western Acquisition as if it had occurred on January 1, 1993.

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CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement of our report dated January 27, 1994 related to the audited consolidated historical financial statements of Noble Drilling Corporation and subsidiaries and the related schedules included in the Noble Drilling Corporation Form 10-K for the year ended December 31, 1993 and incorporated by reference in this Registration Statement, and to all references to our Firm included in this Registration Statement.

/s/ ARTHUR ANDERSEN & CO.

Houston, Texas
July 8, 1994

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CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accounts, we hereby consent to the incorporation by reference in this Registration Statement of our report dated February 7, 1994 (except with respect to the matter discussed in Note 9, as to which the date is March 24, 1994) related to the audited consolidated financial statements of Chiles Offshore Corporation and subsidiaries and the related schedules included in the Chiles Offshore Corporation Form 10-K for the year ended December 31, 1993 and incorporated by reference in this Registration Statement, and to all references to our Firm included in this Registration Statement.

/s/ ARTHUR ANDERSEN & CO.

Houston, Texas
July 8, 1994

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Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the registration statement on Form S-4 filed by Noble Drilling Corporation of our report dated March 4, 1994, with respect to the consolidated balance sheets of Triton Engineering Services Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 1993, which report appears in the Form 8-K of Noble Drilling Corporation dated June 30, 1994.

/s/ KPMG Peat Marwick

Houston, Texas
July 8, 1994

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EXHIBIT 23.6

CONSENT OF SIMMONS & COMPANY INTERNATIONAL

We hereby consent to the use of our name, to the summarization of our letter dated June 13, 1994 and to the other references to us in the Joint Proxy Statement/Prospectus of Noble Drilling Corporation and Chiles Offshore Corporation, and to the inclusion of such letter as Appendix II to such Joint Proxy Statement/Prospectus, which Joint Proxy Statement/Prospectus is part of this Registration Statement on Form S-4 of Noble Drilling Corporation. By giving such consent, we do not thereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "expert" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder, or are within the class of persons whose consent is required thereunder.

SIMMONS & COMPANY INTERNATIONAL

By /s/ Nicholas L. Swyka

Managing Director

Houston, Texas
July 8, 1994

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EXHIBIT 23.7

SALOMON BROTHERS INC
Seven World Trade Center
New York, New York 10048
212-783-7000

SALOMON BROTHERS

CONSENT OF SALOMON BROTHERS INC

We hereby consent to the use of our name, to the summarization of our letter dated June 13, 1994 and to the other references to us in the Joint Proxy Statement/Prospectus of Noble Drilling Corporation and Chiles Offshore Corporation, and to the inclusion of such letter as Appendix III to such Joint Proxy Statement/Prospectus, which Joint Proxy Statement/Prospectus is part of this Registration Statement on Form S-4 of Noble Drilling Corporation. By giving such consent, we do not thereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "expert" as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder, or are within the class of persons whose consent is required thereunder.

SALOMON BROTHERS INC

/s/ SALOMON BROTHERS INC

New York, New York
July 8, 1994

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EXHIBIT 99.1

[NOBLE LOGO]

[Proxy Card]

NOBLE DRILLING CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints James C. Day and Byron L. Welliver, and each of them, proxies with power of substitution in each, and hereby authorizes them to represent and to vote, as designated below, all shares of Common Stock ("Common Stock") of Noble Drilling Corporation (the "Company") standing in the name of the undersigned on ____________, 1994, at the special meeting of stockholders to be held on ____________, 1994 at 10:00 a.m., local time, at Houston, Texas, and at any adjournment thereof and especially to vote on the items of business specified below, as more fully described in the notice of the meeting and the proxy statement accompanying the same, receipt of which is hereby acknowledged.

1. FOR ( ) AGAINST ( ) ABSTAIN ( ) Approval of (a) the Agreement and Plan of Merger (the "Merger Agreement"), as more fully described in the accompanying Joint Proxy Statement/Prospectus, and pursuant to which, among other things, (i) Chiles Offshore Corporation ("Chiles") would merge with and into a newly formed, wholly owned subsidiary of the Company and (ii) each issued and outstanding share of Common Stock of Chiles would be converted into the right to receive 0.75 of a share of Common Stock of the Company and each issued and outstanding share of $1.50 Convertible Preferred Stock of Chiles would be converted into the right to receive one share of a new series of $1.50 Convertible Preferred Stock of the Company, and (b)

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the issuance of shares of Common Stock of the Company and the new series of $1.50 Convertible Preferred Stock of the Company pursuant to the Merger Agreement.

2. FOR ( ) AGAINST ( ) ABSTAIN ( ) Adoption of the amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock from 75,000,000 to 200,000,000.

3. FOR ( ) AGAINST ( ) ABSTAIN ( ) Approval of amendments to the Noble Drilling Corporation 1991 Stock Option and Restricted Stock Plan to (i) increase from 1,900,000 to 5,200,000 the aggregate number of shares of Common Stock available for issuance thereunder, (ii) limit to 2,600,000 the total number of shares of Common Stock that may be made subject to grants of options and stock appreciation rights or awards of restricted stock under the Plan to any one person and (iii) provide for administration of the Plan by directors who are "outside" directors within the meaning of federal tax laws.

4. In their discretion, the proxies are authorized to vote upon such other business or matters as may properly come before the meeting or any adjournment thereof.

(CONTINUED AND TO BE SIGNED ON REVERSE SIDE)

[Reverse of Proxy Card]

THIS PROXY, WHEN DULY EXECUTED AND RETURNED, WILL BE VOTED IN THE MANNER DESIGNATED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF THIS PROXY IS DULY EXECUTED AND RETURNED, BUT WITHOUT A CLEAR VOTING DESIGNATION, IT WILL BE VOTED FOR ITEMS 1, 2 and 3.

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The undersigned hereby revokes any proxy or proxies heretofore given to represent or vote such Common Stock and hereby ratifies and confirms all actions that said proxies, their substitutes, or any of them, may lawfully take in accordance with the terms hereof.

Dated:_________________________________, 1994

____

____
Signature(s) of Stockholder(s)

This proxy should be signed exactly as your name appears hereon. Joint owners should both sign. If signed as attorney, executor, guardian or in some other representative capacity, or as officer of a corporation, please indicate your capacity or title.

PLEASE COMPLETE, DATE AND SIGN THIS PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

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FRONT SIDE OF PROXY

PROXY
CHILES OFFSHORE CORPORATION
SPECIAL MEETING OF SHAREHOLDERS - ____________, 1994
PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned hereby appoints C. Ray Bearden and Robert F. Fulton as Proxies, each with the power to appoint his substitute, and hereby authorizes each of them to represent and to vote as designated below, all the shares of Common Stock of Chiles Offshore Corporation, held of record by the undersigned on ___________, 1994, at the Special Meeting of Shareholders of Chiles Offshore Corporation to be held on ____________, 1994 in the ____________ Room of the ______________ at _______________, commencing at 10:00 a.m., local time, or any adjournment or postponement thereof.

The undersigned hereby revokes any proxy to vote said shares heretofore given. THE UNDERSIGNED ACKNOWLEDGES THAT THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER AND THAT IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED IN FAVOR OF PROPOSAL 1.

Please sign exactly as name appears on your stock certificates. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or an other authorized officer. If a partnership, please sign in partnership name by an authorized person.

I plan to attend the meeting (Please check if yes) ( )

1. Authorization, approval and adoption of the Agreement and Plan of Merger dated June 13, 1994, pursuant to which Chiles Offshore Corporation will be merged with and into wholly owned subsidiary of Noble Drilling Corporation.

( ) FOR ( ) AGAINST ( ) ABSTAIN

(continued on reverse side)

BACK SIDE OF PROXY

2. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

If you receive more than one proxy card, please sign and return all cards in the

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accompanying envelope.

Date ____________________, 1994

____
Signature

____
Signature if held jointly

This proxy may be revoked at any time prior to the voting of the proxy by the execution and submission of a revised proxy, by written notice to the Secretary of the Company or by voting in person at the meeting.

PROXY SOLICITED BY THE BOARD OF DIRECTORS
PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY
PROMPTLY USING THE ENCLOSED ENVELOPE

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