NOBLE CORP
Form 10-K
February 25, 2013
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission file number: 000-53604

NOBLE CORPORATION

(Exact name of registrant as specified in its charter)

Switzerland	**98-0619597**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**
Dorfstrasse 19A, Baar, Switzerland	**6340**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: 41 (41) 761-65-55

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Shares, Par Value 3.15 CHF per Share	**New York Stock Exchange**

Commission file number: 001-31306

NOBLE CORPORATION

(Exact name of registrant as specified in its charter)

Cayman Islands	**98-0366361**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**

Suite 3D Landmark Square, 64 Earth Close, P.O. Box 31327

George Town, Grand Cayman, Cayman Islands KY1-1206

(Address of principal executive offices) (Zip Code)

Registrant s telephone number, including area code: (345) 938-0293

Securities registered pursuant to Sections 12(b) and 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Noble Corporation (Switzerland): Large accelerated filer	x	Accelerated filer	¨	Non-accelerated filer	¨	Smaller reporting company	¨
Noble Corporation (Cayman Islands): Large accelerated filer	¨	Accelerated filer	¨	Non-accelerated filer	x	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of June 29, 2012, the aggregate market value of the registered shares of Noble Corporation (Switzerland) held by non-affiliates of the registrant was $8.1 billion based on the closing sale price as reported on the New York Stock Exchange.

Number of shares outstanding and trading at February 11, 2013: Noble Corporation (Switzerland) 253,225,668

Number of shares outstanding: Noble Corporation (Cayman Islands) 261,245,693

DOCUMENTS INCORPORATED BY REFERENCE

The proxy statement for the 2013 annual general meeting of the shareholders of Noble Corporation (Switzerland) will be incorporated by reference into Part III of this Form 10-K.

This Form 10-K is a combined annual report being filed separately by two registrants: Noble Corporation, a Swiss corporation (Noble-Swiss), and its wholly-owned subsidiary Noble Corporation, a Cayman Islands company (Noble-Cayman). Noble-Cayman meets the conditions set forth in General Instructions I (1) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format contemplated by paragraphs (a) and (c) of General Instruction I(2) of Form 10-K.

TABLE OF CONTENTS

This combined Annual Report on Form 10-K is separately filed by Noble Corporation, a Swiss corporation (Noble-Swiss), and Noble Corporation, a Cayman Islands company (Noble-Cayman). Information in this filing relating to Noble-Cayman is filed by Noble-Swiss and separately by Noble-Cayman on its own behalf. Noble-Cayman makes no representation as to information relating to Noble-Swiss (except as it may relate to Noble-Cayman) or any other affiliate or subsidiary of Noble-Swiss.

This report should be read in its entirety as it pertains to each Registrant. Except where indicated, the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements are combined. References in this Annual Report on Form 10-K to Noble, the Company, we, us, our and words of similar meaning refer collectively to Noble-Swiss and its consolidated subsidiaries, including Noble-Cayman.

Table of Contents

PART I

Item 1. Business.
General

Noble Corporation, a Swiss corporation, is a leading offshore drilling contractor for the oil and gas industry. We perform contract drilling services with our fleet of 79 mobile offshore drilling units located worldwide. We also own one floating production storage and offloading unit. Our fleet consists of 14 semisubmersibles, 14 drillships, 49 jackups and two submersibles, including 11 units under construction as follows:

- five dynamically positioned, ultra-deepwater, harsh environment drillships and
- six high-specification, heavy-duty, harsh environment jackups.

For additional information on the specifications of our fleet, see Item 2. Properties. Drilling Fleet. As of February 7, 2013, approximately 85 percent of our fleet was located outside the United States in the following areas: Mexico, Brazil, the North Sea, the Mediterranean, West Africa, the Middle East, India and Australia. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921.

Business Strategy

Our goal is to be the preferred offshore drilling contractor for the oil and gas industry based upon the following overriding principles:

- operate in a manner that provides a safe working environment for our employees while protecting the environment and our assets;
- provide an attractive investment vehicle for our shareholders; and
- deliver exceptional customer service through a large, diverse and technically advanced fleet operated by competent personnel.

We have actively expanded our offshore drilling and deepwater capabilities in recent years through the construction and acquisition of rigs. As part of this technical and operational expansion, we plan to continue pursuing opportunities to upgrade our fleet to achieve greater technological capability, which we believe will lead to increased drilling efficiencies and the ability to complete the increasingly more complex well programs required by our customers.

Our business strategy also focuses on the active expansion of our worldwide deepwater capabilities through upgrades and modifications, acquisitions and divestitures of our standard specification drilling units, as well as the deployment of our drilling assets in important oil and gas producing areas throughout the world.

During 2012, we continued our newbuild program with the following 14 projects:

- we commenced operations on three dynamically positioned ultra-deepwater, harsh environment drillships: two Bully-class drillships currently operating in the U.S. Gulf of Mexico and Brazil, respectively, and one *Globetrotter*-class drillship currently operating in the U.S. Gulf of Mexico;

- we continued construction on one dynamically positioned, ultra-deepwater, harsh environment *Globetrotter*-class drillship, which is scheduled to be delivered to our customer in the fourth quarter of 2013;

- we continued construction on four dynamically positioned, ultra-deepwater, harsh environment drillships at Hyundai Heavy Industries Co. Ltd., the first of which is estimated to be delivered from the shipyard in the second quarter of 2013; and

- we continued construction on six high-specification, heavy duty, harsh environment jackups, the first of which is estimated to be delivered from the shipyard in the second quarter of 2013.

Capital expenditures, including expenditures related to the items noted above, totaled $1.7 billion during 2012.

Table of Contents

As part of our ongoing strategic planning process, we review our fleet and the strategic benefits of our drilling rigs. As part of this process, we continue to analyze potential divestment of certain of our standard specification units and related assets in one or more transactions. These dispositions may include sales of assets to third parties, a spin-off, or other distribution or separation of assets or a combination of such transactions. In analyzing our disposition alternatives, we consider the strategic benefit to our ongoing operations while seeking to secure what we consider appropriate value for our shareholders. While we may continue to operate some or all standard specification drilling rigs, we have taken certain preliminary steps to put ourselves in a better position to pursue a potential spin-off and/or sale should we decide to do so. These include analyzing the internal restructuring steps necessary for a potential spin-off or sale and related tax considerations, seeking certain preparatory tax rulings and commencing preparation of financial statements for a potential separate group that could be spun off or sold. We have not completed the preliminary work to effect, nor has our board of directors approved, any such transactions. We make no assurance that we will ultimately undertake or consummate any sale, spin-off or separation transactions involving our standard specification assets.

We have entered into an agreement to sell our jackup, the *Noble Lewis Dugger*, to a third party that owns and operates supply vessels, platform drilling rigs and jackups in Mexico. This unit is being sold for $61 million and the closing is expected to occur in the second quarter of 2013 after the unit has completed its contract with its current customer. The transaction is subject to customary closing conditions. We had entered into an agreement to sell the *Noble Don Walker* for $18 million. The buyer was unable to close the transaction, although we remain in discussions to potentially extend the sale agreement. The unit has been cold-stacked in Cameroon since 2009.

Demand for our services is a function of the worldwide supply of mobile offshore drilling units. Industry analysts widely acknowledge that a significant expansion of industry supply of both jackups and ultra-deepwater units has commenced, the majority of which currently have no contract. The introduction of non-contracted rigs into the marketplace will increase the supply of rigs which compete for drilling service contracts, which could negatively impact the dayrates we are able to achieve. Our strategy on newbuild construction has generally been to expand our drilling fleet in connection with a long-term drilling contract that covers a substantial portion of our capital investment and provides an acceptable return on our capital employed. However, in response to the addition of a significant number of new, technologically advanced units in the global fleet and changes in customer requirements and preferences, we believe that in order to maintain long-term competitiveness, it has become both necessary and desirable for us to engage in building speculative highly advanced jackups and floating units. Of the units we currently have under construction, two of the ultra-deepwater drillships and two of the heavy-duty, harsh environment jackups are being constructed without customer contracts. We will attempt to secure contracts for these units prior to their completion. We may continue speculative building, even in the absence of contracts for our units already under construction.

From time to time, we evaluate individual rig transactions and business combinations with other parties where we believe we can create shareholder value. We will continue to consider business opportunities that promote our growth strategy and optimize shareholder value.

In previous years, the drilling industry has experienced significant increases in dayrates for drilling services in most markets, coupled with higher demand for drilling equipment and shortages of personnel. This environment drove operating costs higher and magnified the importance of recruiting, training and retaining skilled personnel. While there continues to be instability in the global financial markets we believe the current market offers limited supply and high demand for both our drilling units and the pool of qualified labor to operate our rigs.

In recognition of the importance of our offshore operations personnel in achieving a safety record that has historically outperformed the offshore drilling industry sector and to retain such personnel, we have implemented a number of key operations personnel retention programs. We believe these programs are necessary to complement our other short and long-term incentive programs to attract and retain the skilled personnel we need to maintain safe and efficient operations.

Drilling Contracts

We typically employ each drilling unit under an individual contract. Although the final terms of the contracts result from negotiations with our customers, many contracts are awarded based upon a competitive bidding process. Our drilling contracts generally contain the following terms:

- contract duration extending over a specific period of time or a period necessary to drill a defined number wells;
- provisions permitting early termination of the contract by the customer (i) if the unit is lost or destroyed or (ii) if operations are suspended for a specified period of time due to breakdown of equipment;
- provisions allowing the impacted party to terminate the contract if specified force majeure events beyond the contracting parties control occur for a defined period of time;
- payment of compensation to us (generally in U.S. Dollars although some customers, typically national oil companies, require a part of the compensation to be paid in local currency) on a daywork basis, so that we receive a fixed amount for each day (dayrate) that the drilling unit is operating under contract (a lower rate or no compensation is payable during periods of equipment breakdown and repair or adverse weather or in the event operations are interrupted by other conditions, some of which may be beyond our control);
- payment by us of the operating expenses of the drilling unit, including labor costs and the cost of incidental supplies; and
- provisions that allow us to recover certain cost increases from our customers in certain long-term contracts.

The terms of some of our drilling contracts permit early termination of the contract by the customer, without cause, generally exercisable upon advance notice to us and in some cases without requiring an early termination payment to us. Our drilling contracts with Petróleos Mexicanos (Pemex) in Mexico, for example, allow early cancellation with 30 days or less notice to us without Pemex making an early termination payment.

Generally, our contracts allow us to recover our mobilization and demobilization costs associated with moving a drilling unit from one regional location to another. When market conditions require us to assume these costs, our operating margins are reduced accordingly. We cannot predict our ability to recover these costs in the future. For shorter moves, such as field moves, our customers have generally agreed to assume the costs of moving the unit by paying us a reduced dayrate or move rate while the unit is being moved.

For a discussion of our backlog of commitments for contract drilling services, please read Management s Discussion and Analysis of Financial Condition and Results of Operations Contract Drilling Services Backlog.

Acquisition of Frontier Holdings Limited

On July 28, 2010, Noble-Swiss and Noble AM Merger Co., a Cayman Islands company and indirect wholly-owned subsidiary of Noble-Swiss (Merger Sub), completed the acquisition of FDR Holdings Limited, a Cayman Islands company (Frontier). The Frontier acquisition was for a purchase price of approximately $1.7 billion in cash plus liabilities assumed. The acquisition strategically expanded and enhanced our global fleet. Frontier s results of operations were included in our results beginning July 28, 2010.

Offshore Drilling Operations

Contract Drilling Services

We conduct offshore contract drilling operations, which accounted for over 97 percent of our operating revenues for the years ended December 31, 2012, 2011 and 2010. We conduct our contract drilling operations principally in the U.S. Gulf of Mexico and Alaska, Mexico, Brazil, the North Sea, the Mediterranean, West Africa, the Middle East, India and Australia. Revenues from Royal Dutch Shell, PLC (Shell) and its affiliates accounted for approximately 32 percent, 24 percent and 12 percent of our total operating revenues in 2012, 2011 and 2010, respectively. Revenues from Petróleo Brasileiro S.A. (Petrobras) accounted for approximately 14 percent, 18 percent and 19 percent of our total operating revenues in 2012, 2011 and 2010, respectively. Pemex did not account for more than 10 percent of our total operating revenues in 2012. Revenues from Pemex accounted for approximately 15 percent and 20 percent of our total operating revenues in 2011 and 2010, respectively. No other single customer accounted for more than 10 percent of our total operating revenues in 2012, 2011 or 2010.

Table of Contents

Labor Contracts

We perform services for drilling and workover activities covering two platforms off the east coast of Canada; this contract extends through April 2013. We do not own or lease these platforms. Under our labor contracts, we provide the personnel necessary to manage and perform the drilling operations from a drilling platform owned by the operator.

During 2011, we commenced a refurbishment project with our customer, Shell, for one of its rigs. Under the contract, we provided the management and oversight of the project, as well as the personnel necessary to complete the refurbishment. During 2012, the construction phase of the project was completed and the rig began operating off the coast of Alaska. As with the Canadian labor contract noted above, we provide labor personnel and management services on the project but do not own or lease the related rig.

Competition

The offshore contract drilling industry is a highly competitive and cyclical business characterized by high capital and maintenance costs. Some of our competitors may have access to greater financial resources than we do.

In the provision of contract drilling services, competition involves numerous factors, including price, rig availability and suitability, experience of the workforce, efficiency, safety performance record, condition and age of equipment, operating integrity, reputation, industry standing and client relations. We believe that we compete favorably with respect to all of these factors. We follow a policy of keeping our equipment well maintained and technologically competitive. However, our equipment could be made obsolete by the development of new techniques and equipment, regulations or customer preferences.

We compete on a worldwide basis, but competition may vary by region at any particular time. Demand for offshore drilling equipment also depends on the exploration and development programs of oil and gas producers, which in turn are influenced by the financial condition of such producers, by general economic conditions, prices of oil and gas and by political considerations and policies.

In addition, industry-wide shortages of supplies, services, skilled personnel and equipment necessary to conduct our business have historically occurred. We cannot assure that any such shortages experienced in the past will not happen again in the future.

Governmental Regulations and Environmental Matters

Political developments and numerous governmental regulations, which may relate directly or indirectly to the contract drilling industry, affect many aspects of our operations. Our contract drilling operations are subject to various laws and regulations in countries in which we operate, including laws and regulations relating to the equipping and operation of drilling units, the reduction of greenhouse gas emissions to address climate change, currency conversions and repatriation, oil and gas exploration and development, taxation of offshore earnings and earnings of expatriate personnel and use of local employees and suppliers by foreign contractors. A number of countries actively regulate and control the ownership of concessions and companies holding concessions, the exportation of oil and gas and other aspects of the oil and gas industries in their countries. In addition, government action, including initiatives by the Organization of Petroleum Exporting Countries (OPEC), may continue to contribute to oil price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by oil and gas companies and their need for drilling services, and likely will continue to do so.

The regulations applicable to our operations include provisions that regulate the discharge of materials into the environment or require remediation of contamination under certain circumstances. Many of the countries in whose waters we operate from time to time regulate the discharge of oil and other contaminants in connection with drilling operations. Failure to comply with these laws and regulations, or failure to obtain or comply with permits, may result in the assessment of administrative, civil and criminal penalties, imposition of remedial requirements and the imposition of injunctions to force future compliance. We have made, and will continue to make, expenditures to comply with environmental requirements. To date we have not expended material amounts in order to comply, and we do not believe that our compliance with such requirements will have a material adverse effect upon our results of operations or competitive position or materially increase our capital expenditures. Although these requirements impact the energy and energy services industries, generally they do not appear to affect us in any material respect that is different, or to any materially greater or lesser extent, than other companies in the energy services industry. However, our business and prospects could be adversely affected by regulatory activity that prohibits or restricts our customers exploration and production activities, results in reduced demand for our services or imposes environmental protection requirements that result in increased costs to us, our customers or the oil and natural gas industry in general.

Table of Contents

The following is a summary of some of the existing laws and regulations which apply to our operations in the U.S. Gulf of Mexico to serve as an example of the various laws and regulations to which we are subject. While laws vary widely in each jurisdiction, each of the laws and regulations below addresses environmental issues similar to those in most of the other jurisdictions in which we operate.

Spills and Releases. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and similar state laws and regulations, impose joint and several liabilities, without regard to fault or the legality of the original act, on certain classes of persons that contributed to the release of a hazardous substance into the environment. These persons include the owner and operator of the site where the release occurred, past owners and operators of the site, and companies that disposed or arranged for the disposal of the hazardous substances found at the site. Responsible parties under CERCLA may be liable for the costs of cleaning up hazardous substances that have been released into the environment and for damages to natural resources. In the course of our ordinary operations, we may generate waste that may fall within CERCLA s definition of a hazardous substance. However, we have to date not received any notification that we are, or may be, potentially responsible for cleanup costs under CERCLA.

Offshore Regulation. The U.S. government has indicated that before any recipient of a deepwater drilling permit may commence drilling, (i) the operator must demonstrate that containment resources are available promptly in the event of a deepwater blowout, (ii) the chief executive officer of the operator seeking to perform deepwater drilling must certify that the operator has complied with all applicable regulations and (iii) the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) will conduct inspections of such deepwater drilling operation for compliance with the applicable regulations. We cannot predict when the applicable government agency will determine that any deepwater driller is in compliance with the new regulations. Third party challenges to industry operations in the U.S. Gulf of Mexico may also serve to further delay or restrict activities. Further, in 2010 and 2011, the BSEE and its predecessor agency issued initial regulations on the design and operation of well control and other equipment at offshore production sites, implementation of safety and environmental management systems (SEMS), and mandatory third-party compliance audits. On August 22, 2012, BSEE published a final rule amending the regulations regarding design and operation of well control and other equipment, and a new SEMS rule was sent to the Office of Management and Budget for a 90-day review on January 31, 2013. BSEE has indicated that there will be an additional, separate rulemaking to govern the design, performance and maintenance of blowout preventers but that rule has not yet been published. BSEE has also published a draft statement of policy on safety culture with nine proposed characteristics of a robust safety culture. If the new regulations, policies, operating procedures and possibility of increased legal liability are viewed by our current or future customers as a significant impairment to expected profitability on projects, then they could discontinue or curtail their offshore operations, thereby adversely affecting our operations by limiting drilling opportunities or imposing materially increased costs.

The Oil Pollution Act. The U.S. Oil Pollution Act of 1990 (OPA) and similar regulations impose certain operational requirements on offshore rigs operating in the U.S. Gulf of Mexico and govern liability for leaks, spills and blowouts involving pollutants. The OPA imposes strict, joint and several liabilities on responsible parties for damages, including natural resource damages, resulting from oil spills into or upon navigable waters, adjoining shorelines or in the exclusive economic zone of the United States. A responsible party includes the owner or operator of an onshore facility and the lessee or permittee of the area in which an offshore facility is located. The OPA establishes a liability limit for onshore facilities of $350 million, while the liability limit for offshore facilities is equal to all removal costs plus up to $75 million in other damages. These liability limits may not apply if a spill is caused by a party s gross negligence or willful misconduct, if the spill resulted from violation of a federal safety, construction or operating regulation, or if a party fails to report a spill or to cooperate fully in a clean-up.

Regulations under the OPA require owners and operators of rigs in United States waters to maintain certain levels of financial responsibility. The failure to comply with the OPA s requirements may subject a responsible party to civil, criminal, or administrative enforcement actions. We are not aware of any action or event that would subject us to liability under the OPA, and we believe that compliance with the OPA s financial assurance and other operating requirements will not have a material impact on our operations or financial condition.

Table of Contents

Waste Handling. The U.S. Resource Conservation and Recovery Act (RCRA), and similar state and local laws and regulations govern the management of wastes, including the treatment, storage and disposal of hazardous wastes. RCRA imposes stringent operating requirements, and liability for failure to meet such requirements, on a person who is either a generator or transporter of hazardous waste or an owner or operator c a hazardous waste treatment, storage or disposal facility. RCRA specifically excludes from the definition of hazardous waste drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil and natural gas. A similar exemption is contained in many of the state counterparts to RCRA. As a result, we are not required to comply with a substantial portion of RCRA s requirements as our operations generate minimal quantities of hazardous wastes. However, these wastes may be regulated by the United States Environmental Protection Agency (EPA) or state agencies as solid waste. In addition, ordinary industrial wastes, such as paint wastes, waste solvents, laboratory wastes, and waste compressor oils may be regulated under RCRA as hazardous waste. We do not believe the current costs of managing our wastes, as they are presently classified, to be significant. However, a petition is currently before the EPA to revoke the oil and natural gas exploration and production exemption. Any repeal or modification of this or similar exemption in similar state statutes, would increase the volume of hazardous waste we are required to manage and dispose of, and would cause us, as well as our competitors, to incur increased operating expenses with respect to our U.S. operations.

Water Discharges. The U.S. Federal Water Pollution Control Act of 1972, as amended, also known as the Clean Water Act, and similar state laws and regulations impose restrictions and controls on the discharge of pollutants into federal and state waters. These laws also regulate the discharge of storm water in process areas. Pursuant to these laws and regulations, we are required to obtain and maintain approvals or permits for the discharge of wastewater and storm water. We do not anticipate that compliance with these laws will cause a material impact on our operations or financial condition.

Air Emissions. The U.S. Federal Clean Air Act and associated state laws and regulations restrict the emission of air pollutants from many sources, including oil and natural gas operations. New facilities may be required to obtain permits before operations can commence, and existing facilities may be required to obtain additional permits, and incur capital costs, in order to remain in compliance. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the Clean Air Act and associated state laws and regulations. In general, we believe that compliance with the Clean Air Act and similar state laws and regulations will not have a material impact on our operations or financial condition.

Climate Change. There is increasing attention concerning the issue of climate change and the effect of greenhouse gas (GHG) emissions. In December 2009, the EPA determined that current and projected concentrations of six key GHG s in the atmosphere threaten public health and welfare. The EPA subsequently finalized GHG standards for motor vehicles, the effect of which could reduce demand for motor fuels refined from crude oil, and a final rule to address permitting of GHG emissions from stationary sources under the Clean Air Act s Prevention of Significant Deterioration (PSD) and Title V permitting programs, which require the use of best available control technology for GHG emissions from new and modified major stationary sources, which can sometimes include drillships. EPA regulations known as the Tailoring Rule also require the PSD program to address GHG emissions from relatively smaller stationary sources in the future. The EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States, including, among other things, certain onshore and offshore oil and natural gas production facilities, on an annual basis. Facilities containing petroleum and natural gas systems that emit 25,000 metric tons or more of CO2 equivalent per year are now required to report annual GHG emissions to the EPA.

Further, proposed legislation has been introduced in Congress that would establish an economy-wide cap on emissions of GHG s in the United States and would require most sources of GHG emissions to obtain GHG emission allowances corresponding to their annual emissions of GHG s. Moreover, in 2005, the Kyoto Protocol to the 1992 United Nations Framework Convention on Climate Change, which establishes a binding set of emission targets for greenhouse gases, became binding on all countries that had ratified it. Recent international discussions following the United Nations Climate Change Conference in Doha, Qatar in December 2012 are exploring options to replace the Kyoto Protocol. While it is not possible at this time to predict how new treaties and legislation that may be enacted to address GHG emissions would impact our business, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploratory or developmental drilling for oil and gas could materially and adversely affect our operations by limiting drilling opportunities or imposing materially increased costs. Moreover, incentives to conserve energy or use alternative energy sources could have a negative impact on our business if such incentives reduce the worldwide demand for oil and gas.

Table of Contents

Safety. The U.S. Occupational Safety and Health Act (OSHA) and other similar laws and regulations govern the protection of the health and safety of employees. The OSHA hazard communication standard, EPA community right-to-know regulations under Title III of CERCLA and similar state statutes require that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local governments and citizens. We believe that we are in substantial compliance with these requirements and with other applicable OSHA requirements.

Insurance and Indemnification Matters

Our operations are subject to many hazards inherent in the drilling business, including blowouts, fires and collisions or groundings of offshore equipment, and damage or loss from adverse weather and sea conditions. These hazards could cause personal injury or loss of life, loss of revenues, pollution and other environmental damage, damage to or destruction of property and equipment and oil and natural gas producing formations, and could result in claims by employees, customers or third parties.

Our drilling contracts provide for varying levels of indemnification from our customers and in most cases also require us to indemnify our customers for certain losses. Under our drilling contracts, liability with respect to personnel and property is typically assigned on a knock-for-knock basis, which means that we and our customers assume liability for our respective personnel and property, irrespective of the fault or negligence of the party indemnified. In addition, our customers may indemnify us in certain instances for damage to our down-hole equipment and, in some cases, our subsea equipment.

Our customers typically assume responsibility for and indemnify us from loss or liability resulting from pollution or contamination, including third-party damages and clean-up and removal, arising from operations under the contract and originating below the surface of the water. We are generally responsible for pollution originating above the surface of the water and emanating from our drilling units. Additionally, our customers typically indemnify us for liabilities incurred as a result of a blow-out or cratering of the well and underground reservoir loss or damage.

In addition to the contractual indemnities described above, we also carry protection and indemnity (P&I) insurance, which is a comprehensive general liability insurance program covering liability resulting from offshore operations. Our P&I insurance includes coverage for liability resulting from personal injury or death of third parties and our offshore employees, third party property damage, pollution, spill clean-up and containment and removal of wrecks or debris. Our insurance policy does not exclude losses resulting from our gross negligence or willful misconduct. Our P&I insurance program is renewed in March of each year and currently has a standard deductible of $10 million per occurrence, with maximum liability coverage of $750 million.

Our insurance policies and contractual rights to indemnity may not adequately cover our losses and liabilities in all cases. For additional information, please read We may have difficulty obtaining or maintaining insurance in the future and our insurance coverage and contractual indemnity rights may not protect us against all of the risks and hazards we face included in Item 1A of this Annual Report on Form 10-K.

The above description of our insurance program and the indemnification provisions of our drilling contracts is only a summary as of the time of preparation of this report, and is general in nature. Our insurance program and the terms of our drilling contracts may change in the future. In addition, the indemnification provisions of our drilling contracts may be subject to differing interpretations, and enforcement of those provisions may be limited by public policy and other considerations.

Employees

At December 31, 2012, we had approximately 5,600 employees, excluding approximately 2,000 persons engaged through labor contractors or agencies. Approximately 75 percent of our employees were engaged in operations outside of the U.S. We are not a party to any material collective bargaining agreements, and we consider our employee relations to be satisfactory.

Table of Contents

Financial Information About Segments and Geographic Areas

Information regarding our revenues from external customers, segment profit or loss and total assets attributable to each segment for the last three fiscal years is presented in Part II Item 8. Financial Statements and Supplementary Data, Note 17 Segment and Related Information.

Information regarding our operating revenues and identifiable assets attributable to each of our geographic areas of operations for the last three fiscal years is presented in Part II Item 8. Financial Statements and Supplementary Data, Note 17 Segment and Related Information.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934 are available free of charge at our website at http://www.noblecorp.com. These filings are also available to the public at the U.S. Securities and Exchange Commission s (SEC) Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Electronic filings with the SEC are also available on the SEC s website at http://www.sec.gov.

You may also find information related to our corporate governance, board committees and company code of ethics (and any amendments or waivers of compliance) at our website. Among the documents you can find there are the following:

- Corporate Governance Guidelines;
- Audit Committee Charter;
- Nominating and Corporate Governance Committee Charter;
- Health, Safety, Environment and Engineering Committee Charter;
- Compensation Committee Charter; and
- Code of Business Conduct and Ethics.

Item 1A. Risk Factors.

You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could affect our business, operating results and financial condition, as well as affect an investment in our shares.

Risk Factors Relating to Our Business

Our business depends on the level of activity in the oil and gas industry, which is significantly affected by volatile oil and gas prices.

Demand for drilling services depends on a variety of economic and political factors and the level of activity in offshore oil and gas exploration and development and production markets worldwide. Commodity prices, and market expectations of potential changes in these prices, may significantly affect this level of activity. However, higher prices do not necessarily translate into increased drilling activity since our clients expectations of future commodity prices typically drive demand for our rigs. Oil and gas prices are extremely volatile and are affected by numerous factors beyond our control, including:

laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change;

the political environment of oil-producing regions, including uncertainty or instability resulting from civil disorder, an outbreak or escalation of armed hostilities or acts of war or terrorism;

worldwide demand for oil and gas, which is impacted by changes in the rate of economic growth in the global economy;

the ability of OPEC to set and maintain production levels and pricing;

the level of production in non-OPEC countries;

- the laws and regulations of governments regarding exploration and development of their oil and gas reserves or speculation regarding future laws or regulations;
- the cost of exploring for, developing, producing and delivering oil and gas;
- the discovery rate of new oil and gas reserves;
- the rate of decline of existing and new oil and gas reserves;
- available pipeline and other oil and gas transportation capacity;
- the ability of oil and gas companies to raise capital;
- adverse weather conditions (such as hurricanes and monsoons) and seas;
- the development and exploitation of alternative fuels;
- tax laws, regulations and policies;
- advances in exploration, development and production technology; and
- the availability of, and access to, suitable locations from which our customers can produce hydrocarbons.

Demand for our drilling services may decrease due to events beyond our control and some of our customers could seek to cancel, terminate or renegotiate their contracts.

Our business could be impacted by events beyond our control including changes in our customers drilling programs or budgets or their liquidity (including access to capital), changes in, or prolonged reductions of, prices for oil and gas, or shifts in the relative strength of various geographic drilling markets brought on by economic slowdown, or regional or worldwide recession, any of which could result in deterioration in demand for our drilling services. In addition, our customers may cancel drilling contracts or letter agreements or letters of intent for drilling contracts, or exercise early termination rights found in some of our drilling contracts or available under local law, for a variety of reasons, many of which are beyond our control. Depending upon market conditions, our customers may also seek renegotiation of firm drilling contracts to reduce their obligations. If the level of demand for our drilling services or conditions in the offshore contract drilling industry declines, our financial position, results of operations and cash flows could be adversely affected.

We may not be able to renew or replace expiring contracts or obtain contracts for our uncontracted newbuilds.

We have a number of customer contracts that will expire in 2013 and 2014. Our ability to renew these contracts or obtain new contracts and the terms of any such contracts will depend on market conditions and our customers. Also, of the units we currently have under construction as part of our newbuild program, two of the ultra-deepwater drillships and two of the heavy-duty, harsh environment jackups are being constructed without customer contracts. We will attempt to secure contracts for these units prior to their completion. We may be unable to renew our expiring contracts or obtain new contracts for our newbuilds or the rigs under contracts that have expired or been terminated, and the dayrates under any new contracts may be below, perhaps substantially below, the existing dayrates, which could have a material adverse effect on our results of operations and cash flows. We may continue speculative building, even in the absence of contracts for our units already under construction.

Our global operations involve additional risks.

We operate in various regions throughout the world that may expose us to political and other uncertainties, including risks of:

- terrorist acts, war, revolution and civil disturbances;
- seizure, nationalization or expropriation of property or equipment;
- monetary policies, government debt downgrades and potential defaults, and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- piracy;
- import-export quotas, wage and price controls, imposition of trade barriers and other forms of government regulation and economic conditions that are beyond our control;
- regulatory or financial requirements to comply with foreign bureaucratic actions; and
- changing taxation policies.

Table of Contents

Our operations are subject to various laws and regulations in countries in which we operate, including laws and regulations relating to:

- the importing, exporting, equipping and operation of drilling units;
- repatriation of foreign earnings;
- currency exchange controls;
- oil and gas exploration and development;
- taxation of offshore earnings and earnings of expatriate personnel; and
- use and compensation of local employees and suppliers by foreign contractors.

Our ability to do business in a number of jurisdictions is subject to maintaining required licenses and permits and complying with applicable laws and regulations. For example, as of December 31, 2012, our two rigs operating in Nigeria were operating under temporary import permits and the Department of Petroleum Resources had not yet issued our Nigerian subsidiary a permit to operate as an oil industry service company or licenses to operate the two rigs for the year 2013. It is customary in Nigeria that permits and licenses are issued well into the year to which they pertain and, to date, we have been successful in obtaining new, or extending existing, temporary import permits and other permits and licenses. However, there can be no assurance that we will be able to obtain new permits or further extensions of permits necessary to continue the operation of our rigs in Nigeria. If we cannot obtain a new permit or an extension necessary to continue operations of any rig, we may need to cease operations under the drilling contract for such rig and relocate such rig from Nigerian waters. We cannot predict what impact these events may have on any such contract or our business in Nigeria, and we could face additional fines and sanctions in Nigeria. Furthermore, we cannot predict what changes, if any, relating to temporary import permit policies and procedures may be established or implemented in Nigeria in the future, or how any such changes may impact our business there. For additional information regarding our completed internal investigation of our Nigerian operations and the status of our temporary import permits in Nigeria, see Part II Item 8. Financial Statements and Supplementary Data, Note 16 Commitments and Contingencies. Changes in, compliance with, or our failure to comply with the laws and regulations of the countries where we operate, including Nigeria, may negatively impact our operations in those countries and could have a material adverse effect on our results of operations.

In 2010 the Nigerian Oil and Gas Industry Content Development Bill was signed into law. The law is designed to create Nigerian content in operations and transactions within the Nigerian oil and gas industry. The law sets forth certain requirements for asset ownership and the utilization of Nigerian human resources and goods and services in oil and gas projects and creates a Nigerian Content Development and Monitoring Board to implement and monitor the law and develop regulations pursuant to the law. The Nigerian Content Development and Monitoring Board has indicated that it will require all non-Nigerian offshore drilling companies to reorganize their local operations to include Nigerian indigenous minority interests in the operating assets and to obtain the approval of the Nigerian Content Development and Monitoring Board for future work in Nigeria. The law also establishes a Nigerian Content Development Fund to fund the implementation of the law, and requires that 1 percent of the value of every contract awarded in the Nigerian oil and gas industry be paid into the fund. We continue to closely monitor the implementation of the law and we are in the process of reviewing our structural and strategic alternatives and the associated cost as the law continues to be applied. We cannot predict what impact the law will ultimately have on the drilling industry and our future operations in Nigeria, but the effect on our operations and profitability in the region could be significant.

In addition, other governmental actions, including initiatives by OPEC, may continue to cause oil price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by major oil companies, which may continue. In addition, some governments favor or effectively require the awarding of drilling contracts to local contractors, require use of a local agent or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may adversely affect our ability to compete and our results of operations.

The U.S. government s regulations and permitting process could have a prolonged and material adverse impact on our U.S. Gulf of Mexico operations.

Subsequent to the April 2010 fire and explosion on the *Deepwater Horizon*, a competitor s drilling rig in the U.S. Gulf of Mexico, U.S. governmental authorities implemented a moratorium on and suspension of specified types of drilling activities in the U.S. Gulf of Mexico. In October 2010, the U.S. government lifted the moratorium following adoption of new regulations including a drilling safety rule and a workplace safety rule, each of which imposed multiple obligations relating to offshore drilling operations. These obligations relate to, among other things; additional certifications and verifications relating to compliance with applicable regulations, compatibility of blowout preventers with drilling rigs and well design, third-party inspections and design review of blowout preventers, testing of casing installations, minimum requirements for personnel operating blowout preventers, training in deepwater well control and mandates of maintenance inspections. BSEE s predecessor agency also proposed to further strengthen these regulations in September 2011. These additional regulations led to additional costs and increased downtime in our U.S. Gulf of Mexico fleet.

The U.S. government mandated that before beginning a well in the U.S. Gulf of Mexico an operator must: (i) demonstrate that containment resources are available promptly in the event of a deepwater blowout, (ii) have the chief executive officer of the operator seeking to perform deepwater drilling certify that the operator has complied with all applicable regulations and (iii) allow BSEE to conduct inspections of such deepwater drilling operation for compliance with the applicable regulations. Our customers and other operators struggled to implement these new regulations, which resulted in increased downtime and decreased rates for a number of our contracted units when these regulations were instituted. While it appears that operators have become accustomed to these regulations, we cannot predict whether the permitting will continue at the current rate. Increased costs for our customers operations and permitting delays could negatively impact their planned or future exploration and development activities, which could result in reduced demand for our services.

Governmental laws and regulations, including environmental laws and regulations, may add to our costs or limit our drilling activity.

Our business is affected by public policy and laws and regulations relating to the energy industry and the environment in the geographic areas where we operate.

The drilling industry is dependent on demand for services from the oil and gas exploration and production industry, and accordingly, we are directly affected by the adoption of laws and regulations that for economic, environmental or other policy reasons curtail exploration and development drilling for oil and gas. We may be required to make significant capital expenditures to comply with governmental laws and regulations. Governments in some foreign countries are increasingly active in regulating and controlling the ownership of concessions, the exploration for oil and gas, and other aspects of the oil and gas industries. There is increasing attention in the United States and worldwide concerning the issue of climate change and the effect of greenhouse gases.

Our operations are also subject to numerous laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. The modification of existing laws or regulations or the adoption of new laws or regulations that result in the curtailment of exploratory or developmental drilling for oil and gas could materially and adversely affect our operations by limiting drilling opportunities or imposing materially increased costs. As a result, the application of these laws could have a material adverse effect on our results of operations by increasing our cost of doing business, discouraging our customers from drilling for hydrocarbons or subjecting us to liability. For example, we, as an operator of mobile offshore drilling units in navigable U.S. waters and certain offshore areas, including the U.S. Outer Continental Shelf, are liable for damages and for the cost of removing oil spills for which we may be held responsible, subject to certain limitations. Our operations may involve the use or handling of materials that are classified as environmentally hazardous. Laws and regulations protecting the environment have generally become more stringent and in certain circumstances impose strict liability , rendering a person liable for environmental damage without regard to negligence or fault. Environmental laws and regulations may expose us to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed.

In November 2012, the U.S. Coast Guard in Alaska conducted an inspection of our drillship, the *Noble Discoverer*, and cited a number of deficiencies that needed to be remediated, including issues relating to the main propulsion and safety management system. We began an internal investigation in conjunction with the Coast Guard inspection, and the Coast Guard began their own investigation. We reported certain potential violations of applicable law to the Coast Guard as a result of our internal investigation. These related to what we believe were certain unauthorized disposals of collected deck and sea water from the *Noble Discoverer* and potential record-keeping issues with the oil record books for the *Noble Discoverer* and other rigs. The Coast Guard has referred the *Noble Discoverer* matter to the U.S. Department of Justice (DOJ) for further investigation. For additional information regarding these actions relating to the Alaska investigation, see Part II, Item 8. Financial Statements and Supplementary Data, Note 16 Commitments and Contingencies.

Table of Contents

Worldwide instability in the financial and credit sectors and economic recession could have a material adverse effect on our financial position, results of operations and cash flows.

Worldwide instability in the financial and credit sectors could reduce the availability of liquidity and credit to fund the continuation and expansion of industrial business operations worldwide. The shortage of liquidity and credit combined with substantial losses in worldwide equity markets could lead to another global economic recession. A slowdown in economic activity caused by a worldwide recession, combined with lower prices for oil and gas, would reduce worldwide demand for energy and demand for drilling services. If demand for drilling services declines again, we could experience a decline in dayrates for new contracts and a slowing in the pace of new contract activity. Demand for our services depends on oil and natural gas industry activity and expenditure levels that are directly affected by trends in oil and natural gas prices. Demand for our services is particularly sensitive to the level of exploration, development, and production activity of, and the corresponding capital spending by, oil and natural gas companies. Any prolonged reduction in oil and natural gas prices or material impairment of our customers cash flow or liquidity, including their access to capital, could result in lower levels of exploration, development and production activity. Lower levels of exploration activity could result in a corresponding decline in the demand for our drilling services, which could have a material adverse effect on our financial position, results of operations and cash flows. The financial situation may also adversely affect the ability of shipyards to meet scheduled deliveries of our newbuilds and our ability to renew our fleet through new vessel construction projects and conversion projects.

We are substantially dependent on several of our customers including Shell and Petrobras, and the loss of these customers could have a material adverse effect on our financial condition and results of operations.

We estimate Shell and Petrobras represented approximately 61 percent and 14 percent, respectively, of our backlog at December 31, 2012 and revenues from Shell and Petrobras accounted for approximately 32 percent and 14 percent, respectively, of our total operating revenue for the year ended December 31, 2012. This concentration of customers increases the risks associated with any possible termination or nonperformance of contracts in addition to our exposure to credit risk. If either of these customers were to terminate or fail to perform their obligations under their contracts and we were not able to find other customers for the affected drilling units promptly, our financial condition and results of operations could be materially adversely affected.

Construction, conversion or upgrades of rigs are subject to risks, including delays and cost overruns, which could have an adverse impact on our available cash resources and results of operations.

We currently have multiple new construction and conversion projects underway and we may undertake additional projects in the future. In addition, we make significant upgrade, refurbishment and repair expenditures to our fleet from time to time, particularly as our rigs become older. Some of these expenditures are unplanned. Our customers may also require certain shipyard reliability upgrade projects for our drillships. These projects and other efforts of this type are subject to risks of cost overruns or delays inherent in any large construction project as a result of numerous factors, including the following:

- shortages of equipment, materials or skilled labor;
- work stoppages and labor disputes;
- unscheduled delays in the delivery of ordered materials and equipment;
- local customs strikes or related work slowdowns that could delay importation of equipment or materials;
- weather interferences;
- difficulties in obtaining necessary permits or approvals or in meeting permit or approval conditions;

design and engineering problems;

inadequate regulatory support infrastructure in the local jurisdiction;

latent damages or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions;

unforeseen increases in the cost of equipment, labor and raw materials, particularly steel;

unanticipated actual or purported change orders;

client acceptance delays;

Table of Contents

- disputes with shipyards and suppliers;
- delays in, or inability to obtain, access to funding;
- shipyard availability, failures and difficulties, including as a result of financial problems of shipyards or their subcontractors; and
- failure or delay of third-party equipment vendors or service providers.

The failure to complete a rig upgrade or new construction on time, or the inability to complete a rig conversion or new construction in accordance with its design specifications, may result in loss of revenues, penalties, or delay, renegotiation or cancellation of a drilling contract or the recognition of an asset impairment. Additionally, capital expenditures for rig upgrade, refurbishment and construction projects could materially exceed our planned capital expenditures. Moreover, our rigs undergoing upgrade, refurbishment and repair may not earn a dayrate during the period they are out of service.

We could be adversely affected by violations of applicable anti-corruption laws and our failure to comply with the terms of our settlement agreements with the DOJ and SEC.

We operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and our code of business conduct and ethics. We are subject, however, to the risk that we, our affiliated entities or their respective officers, directors, employees and agents may take action determined to be in violation of such anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) and similar laws in other countries. Any violation of the FCPA or other applicable anti-corruption laws could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Further, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

In 2007, we began an internal investigation of the legality under the FCPA of certain activities in Nigeria. In November 2010, we finalized settlements of this matter with each of the SEC and the DOJ. Under the settlements with the DOJ and SEC, we agreed to, among other things, pay certain fines and interest and disgorge certain profits, cooperate with the DOJ, comply with the FCPA, comply with certain self-reporting and annual reporting obligations and comply with an injunction restraining us from violating the anti-bribery, books and records and internal controls provisions of the FCPA. Our ability to comply with the terms of the settlements is dependent on the success of our ongoing compliance program, including our ability to continue to manage our agents and supervise, train and retain competent employees, and the efforts of our employees to comply with applicable law and our code of business conduct and ethics.

Also, in January 2011, the Nigerian Economic and Financial Crimes Commission and the Nigerian Attorney General Office initiated an investigation into these same activities. A subsidiary of Noble-Swiss resolved this matter through the execution of a non-prosecution agreement dated January 28, 2011. Pursuant to this agreement, the subsidiary paid $2.5 million to resolve all charges and claims of the Nigerian government.

Any additional investigation by these or other agencies could damage our reputation and result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. Further, resolving any additional investigations could be expensive and consume significant time and attention of our senior management. For instance, in February 2012, the SEC charged one current and two former employees of ours with violating the FCPA in connection with the events that were the subject of the internal investigations we began in 2007, as described above. We do not believe that the SEC pleadings against these individuals introduce material facts that were not addressed in our internal investigation, which we resolved with the SEC and the DOJ in November 2010. We are not a party to the SEC proceedings against these individuals, and we do not believe the charges against the individuals will result in fines, sanctions or civil or criminal penalties against us. However, these actions may consume the attention of management and damage our reputation.

Possible changes in tax laws could affect us and our shareholders.

We operate through various subsidiaries in numerous countries throughout the world. Consequently, we are subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in Switzerland, the U.S. or jurisdictions in which we or any of our subsidiaries operate or are incorporated.

Table of Contents

Tax laws and regulations are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, treaties and regulations in and between countries in which we operate. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If these laws, treaties or regulations change or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us, including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions.

In addition, the manner in which our shareholders are taxed on distributions on, and dispositions of, our shares could be affected by changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in Switzerland, the U.S. or other jurisdictions in which our shareholders are resident. Any such changes could result in increased taxes for our shareholders and affect the trading price of our shares.

Our business involves numerous operating hazards.

Our operations are subject to many hazards inherent in the drilling business, including blowouts, fires and collisions or groundings of offshore equipment, and damage or loss from adverse weather and seas. These hazards could cause personal injury or loss of life, suspend drilling operations or seriously damage or destroy the property and equipment involved, result in claims by employees, customers or third parties and, in addition to causing environmental damage, could cause substantial damage to oil and natural gas producing formations or facilities. Operations also may be suspended because of machinery breakdowns, abnormal drilling conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages. Damage to the environment could also result from our operations, particularly through oil spillage or extensive uncontrolled fires. We may also be subject to damage claims by oil and gas companies.

The contract drilling industry is a highly competitive and cyclical business with intense price competition. If we are unable to compete successfully, our profitability may be reduced.

The offshore contract drilling industry is a highly competitive and cyclical business characterized by high capital and maintenance costs. Drilling contracts are traditionally awarded on a competitive bid basis. Intense price competition, rig availability, location and suitability, experience of the workforce, efficiency, safety performance record, technical capability and condition of equipment, operating integrity, reputation, industry standing and client relations are all factors in determining which contractor is awarded a job. Mergers among oil and natural gas exploration and production companies from time to time may reduce the number of available clients, resulting in increased price competition.

Our industry has historically been cyclical. There have been periods of high demand, short rig supply and high dayrates, followed by periods of lower demand, excess rig supply and low dayrates. Periods of excess rig supply intensify the competition in the industry and may result in some of our rigs being idle for long periods of time. Prolonged periods of low utilization and low dayrates could result in the recognition of impairment charges on certain of our drilling rigs if future cash flow estimates, based upon information available to management at the time, indicate that the carrying value of these rigs may not be recoverable. For example, in 2012 our submersible rig fleet, consisting of two cold stacked rigs, was partially impaired due to the declining market outlook for drilling services for this rig type. We estimated the fair value of the rigs based on the salvage value of the rigs and a recent transaction involving a similar unit owned by a peer company (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $13 million for the year ended December 31, 2012.

The increase in supply created by the number and types of rigs being built, as well as changes in our competitors drilling rig fleets, could intensify price competition and require higher capital investment to keep our rigs competitive. In addition, the supply attributable to newbuild rigs, especially those being built on speculation, could cause a reduction in future dayrates. We are experiencing competition from newbuild jackups that are scheduled to enter the market in 2013 and beyond. The entry of these newbuild jackups into the market may result in lower dayrates for jackups than currently expected. Similarly, there are a number of deepwater newbuilds that are scheduled to enter the market over the next several years, which could also adversely affect the dayrates for these units.

Table of Contents

As a result of our significant cash flow needs, we may be required to incur additional indebtedness, or delay or cancel discretionary capital expenditures.

Our currently anticipated cash flow needs, both in the short-term and long-term, may include the following:

- committed capital expenditures, including expenditures for newbuild projects currently underway;
- normal recurring operating expenses;
- discretionary capital expenditures, including various capital upgrades;
- payments of dividends; and
- repayment of maturing debt.

In order to fund our capital expenditures, we may need funding beyond the amount available to us from cash generated by our operations, cash on hand and borrowings under our existing bank credit facilities and commercial paper program. We may raise such additional capital in a number of ways, including accessing capital markets, obtaining additional lines of credit or disposing of assets. However, we can provide no assurance that any of these options will be available to us on terms acceptable to us or at all.

Our ability to obtain financing or to access the capital markets may be limited by our financial condition at the time of any such financing and the covenants in our existing debt agreements, as well as by adverse market conditions resulting from, among other things, general economic conditions and uncertainties that are beyond our control. Even if we are successful in obtaining additional capital through debt financings, incurring additional indebtedness may significantly increase our interest expense and may reduce our flexibility to respond to changing business and economic conditions or to fund working capital needs, because we will require additional funds to service our outstanding indebtedness.

We may delay or cancel discretionary capital expenditures, which could have certain adverse consequences including delaying upgrades or equipment purchases that could make the affected rigs less competitive, adversely affect customer relationships and negatively impact our ability to contract such rigs.

We may have difficulty obtaining or maintaining insurance in the future and our insurance coverage and contractual indemnity rights may not protect us against all of the risks and hazards we face.

We generally identify the operational hazards for which we will procure insurance coverage based on the likelihood of loss, the potential magnitude of loss, the cost of coverage, the requirements of our customer contracts and applicable legal requirements. We do not procure insurance coverage for all of the potential risks and hazards we may face. Furthermore, no assurance can be given that we will be able to obtain insurance against all of the risks and hazards we face or that we will be able to obtain or maintain adequate insurance at rates and with deductibles or retention amounts that we consider commercially reasonable.

Although we maintain what we believe to be an appropriate level of insurance covering hazards and risks we currently encounter during our operations, we do not insure against all possible hazards and risks. Furthermore, our insurance carriers may interpret our insurance policies such that they do not cover losses for which we make claims. Our insurance policies may also have exclusions of coverage for some losses. Uninsured exposures may include expatriate activities prohibited by U.S. laws, radiation hazards, certain loss or damage to property onboard our rigs and losses relating to shore-based terrorist acts or strikes.

In addition, the damage sustained to offshore oil and gas assets as a result of hurricanes in recent years has negatively impacted the energy insurance market, resulting in more restrictive and expensive coverage for U.S. named windstorm perils. Accordingly, we have elected to significantly reduce the named windstorm insurance on our rigs operating in the U.S. Gulf of Mexico. Presently, we insure the *Noble Jim Thompson*, *Noble Amos Runner* and *Noble Driller* for total loss only when caused by a named windstorm. Our customer assumes the risk of loss on the *Noble Bully I* due to a named windstorm event up to $450 million per occurrence pursuant to the terms of the drilling contract relating to such vessel, provided that we are responsible for the first $25 million per occurrence for such named windstorm events. The remaining rigs in the U.S. Gulf of Mexico are self-insured for named windstorm perils. Our rigs located in the Mexico portion of the Gulf of Mexico remain covered by commercial insurance for windstorm damage. If one or more future significant weather-related events occur in the Gulf of Mexico, or in any other geographic area in which we operate, we may experience increases in insurance costs, additional coverage restrictions or unavailability of certain insurance products.

Under our drilling contracts, liability with respect to personnel and property is customarily assigned on a knock-for-knock basis, which means that we and our customers assume liability for our respective personnel and property, irrespective of the fault or negligence of the party indemnified. Although our drilling contracts generally provide for indemnification from our customers for certain liabilities, including liabilities resulting from pollution or contamination originating below the surface of the water, enforcement of these contractual rights to indemnity may be limited by public policy and other considerations and, in any event, may not adequately cover our losses from such incidents. There can also be no assurance that those parties with contractual obligations to indemnify us will necessarily be in a financial position to do so.

Although we maintain insurance in the geographic areas in which we operate, pollution, reservoir damage and environmental risks generally are not fully insurable. Our insurance policies may not adequately cover our losses or may have exclusions of coverage for some losses. We do not have insurance coverage or rights to indemnity for all risks, including loss of hire insurance on most of the rigs in our fleet. Uninsured exposures may include expatriate activities prohibited by U.S. laws and regulations, radiation hazards, certain loss or damage to property onboard our rigs and losses relating to shore-based terrorist acts or strikes. If a significant accident or other event occurs and is not fully covered by insurance or contractual indemnity, it could adversely affect our financial position, results of operations or cash flows.

Failure to attract and retain highly skilled personnel or an increase in personnel costs could hurt our operations.

We require highly skilled personnel to operate and provide technical services and support for our drilling units. As the demand for drilling services and the size of the worldwide industry fleet increases, shortages of qualified personnel have occurred from time to time. These shortages could result in our loss of qualified personnel to competitors, impair our ability to attract and retain qualified personnel for our new or existing drilling units, impair the timeliness and quality of our work and create upward pressure on personnel costs, any of which could adversely affect our operations.

Fluctuations in exchange rates and nonconvertibility of currencies could result in losses to us.

We may experience currency exchange losses where revenues are received or expenses are paid in nonconvertible currencies or where we do not hedge an exposure to a foreign currency. We may also incur losses as a result of an inability to collect revenues because of a shortage of convertible currency available to the country of operation, controls over currency exchange or controls over the repatriation of income or capital.

We are subject to litigation that could have an adverse effect on us.

We are, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, asbestos and other toxic tort claims, environmental claims or proceedings, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and there can be no assurance as to the ultimate outcome of any litigation. Litigation may have an adverse effect on us because of potential negative outcomes, costs of attorneys, the allocation of management s time and attention, and other factors.

Forward-Looking Statements

This report on Form 10-K includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this report regarding the Frontier transaction and integration, contract backlog, fleet status, our financial position, business strategy, timing or results of acquisitions or dispositions, backlog, completion and acceptance of our newbuild rigs, contract commitments, dayrates, contract commencements, extension or renewals, contract tenders, the outcome of any dispute, litigation or investigation, plans and objectives of management for future operations, foreign currency requirements, results of joint ventures, indemnity and other contract claims, construction of rigs, industry conditions including the effect of disruptions of drilling in the U.S. Gulf of Mexico, access to financing, impact of competition, governmental regulations and permitting, availability of labor, worldwide economic conditions, taxes and tax rates, indebtedness covenant compliance, and timing for compliance with any new regulations are forward-looking statements. When used in this

Table of Contents

report, the words anticipate, believe, estimate, expect, intend, may, plan, project, should and similar expressions are intended to statements that identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that such expectations will prove to be correct. These factors include those described in Risk Factors above, or in our other SEC filings, among others. Such risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. You should consider these risks when you are evaluating us.

Item 1B. Unresolved Staff Comments.
None.

Item 2. Properties.
Drilling Fleet

Our drilling fleet is composed of the following types of units: semisubmersibles, drillships, jackups and submersibles. Each type of drilling rig is described further below. We also own one floating production storage and offloading unit (FPSO). Several factors determine the type of unit most suitable for a particular job, the most significant of which include the water depth and the environment of the intended drilling location, whether the drilling is being done over a platform or other structure, and the intended well depth.

Semisubmersibles

Semisubmersibles are floating platforms which, by means of a water ballasting system, can be submerged to a predetermined depth so that a substantial portion of the hull is below the water surface during drilling operations. These units maintain their position over the well through the use of either a fixed mooring system or a computer controlled dynamic positioning system and can drill in many areas where jackups cannot drill. However, semisubmersibles normally require water depth of at least 200 feet in order to conduct operations. Certain of our semisubmersibles are capable of drilling in water depths of up to 12,000 feet.

The semisubmersible fleet consists of 14 units, including:

- five Noble EVA-4000 semisubmersibles;
- three Friede & Goldman 9500 Enhanced Pacesetter semisubmersibles;
- two Pentagone 85 semisubmersibles;
- two Bingo 9000 design unit semisubmersibles;
- one Aker H-3 Twin Hull S1289 Column semisubmersible; and
- one Offshore Co. SCP III Mark 2 semisubmersible.

Drillships

Our drillships are self-propelled vessels. These units maintain their position over the well through the use of either a fixed mooring system or a computer controlled dynamic positioning system. Our drillships are capable of drilling in water depths from 1,000 to 12,000 feet. The maximum drilling depth of our drillships ranges from 20,000 feet to 40,000 feet.

The drillship fleet consists of 14 units, including:

- four dynamically positioned, ultra-deepwater, harsh environment drillships currently under construction, the first of which is estimated to be delivered from the shipyard in the second quarter of 2013;
- three dynamically positioned Gusto Engineering Pelican Class drillships;
- two dynamically positioned *Bully*-class drillships operated by us through a 50 percent joint venture with a subsidiary of Shell;
- one dynamically positioned *Globetrotter*-class drillship;
- one dynamically positioned *Globetrotter*-class drillship currently under construction, which is scheduled to be delivered to our customer in the fourth quarter of 2013;
- one conventionally moored Sonat Discoverer Class drillship capable of drilling in Arctic environments;
- one dynamically positioned NAM Nedlloyd-C drillship; and
- one conventionally moored conversion class drillship.

Table of Contents

Jackups

We currently have 49 jackups in our fleet, including six high-specification, heavy duty, harsh environment jackups currently under construction. Jackups are mobile, self-elevating drilling platforms equipped with legs that can be lowered to the ocean floor until a foundation is established for support. The rig hull includes the drilling rig, jacking system, crew quarters, loading and unloading facilities, storage areas for bulk and liquid materials, helicopter landing deck and other related equipment. All of our jackups are independent leg (i.e., the legs can be raised or lowered independently of each other) and cantilevered. A cantilevered jackup has a feature that permits the drilling platform to be extended out from the hull, allowing it to perform drilling or workover operations over pre-existing platforms or structures. Moving a rig to the drill site involves jacking up its legs until the hull is floating on the surface of the water. The hull is then towed to the drill site by tugs and the legs are jacked down to the ocean floor. The jacking operation continues until the hull is raised out of the water, and drilling operations are conducted with the hull in its raised position. Our jackups are capable of drilling to a maximum depth of 30,000 feet in water depths up to 400 feet.

Submersibles

We have two submersibles in the fleet which are currently cold-stacked. Submersibles are mobile drilling platforms that are towed to the drill site and submerged to drilling position by flooding the lower hull until it rests on the sea floor, with the upper deck above the water surface. Our submersibles are capable of drilling to a maximum depth of 25,000 feet in water depths up to 70 feet.

Table of Contents

Drilling Fleet Table

The following table sets forth certain information concerning our offshore fleet at February 7, 2013. The table does not include any units owned by operators for which we had labor contracts. We operate and own all of the units included in the table.

Name	Make	Year Built or Rebuilt (1)	Water Depth Rating (feet)	Drilling Depth Capacity (feet)	Location	Status (2)
Semisubmersibles 14						
Noble Amos Runner	Noble EVA-4000	1999 R/2008 M	8,000	32,500	U.S. Gulf of Mexico	Active
Noble Clyde Boudreaux	F&G 9500 Enhanced Pacesetter	2007 R/M	10,000	35,000	Australia	Active
Noble Danny Adkins	Bingo 9000 DP	2009R	12,000	35,000	U.S. Gulf of Mexico	Active
Noble Dave Beard	F&G 9500 Enhanced Pacesetter DP	2009 R	10,000	35,000	Brazil	Active
Noble Driller	Aker H-3 Twin Hull S1289 Column	2007 R	5,000	30,000	U.S. Gulf of Mexico	Active
Noble Homer Ferrington	F&G 9500 Enhanced Pacesetter	2004 R	7,200	30,000	Israel	Active
Noble Jim Day	Bingo 9000 DP	2010 R	12,000	35,000	U.S. Gulf of Mexico	Active
Noble Jim Thompson	Noble EVA-4000	1999 R/2006 M	6,000	32,500	U.S. Gulf of Mexico	Active
Noble Lorris Bouzigard	Pentagone 85	2003 R	4,000	25,000	U.S. Gulf of Mexico	Stacked
Noble Max Smith	Noble EVA-4000	1999 R	7,000	30,000	Brazil	Active
Noble Paul Romano	Noble EVA-4000	1998 R/2007 M	6,000	32,500	Malta	Active
Noble Paul Wolff	Noble EVA-4000 DP	2006 R	9,200	30,000	Brazil	Active
Noble Therald Martin	Pentagone 85	2004 R	4,000	25,000	Brazil	Active
Noble Ton van Langeveld (3)	Offshore Co. SCP III Mark 2	2000 R	1,500	25,000	U.K.	Active
Drillships 14						
Noble Bob Douglas	Hyundai Gusto P 10000	2013 N	12,000	40,000	South Korea	Shipyard
Noble Bully I (3)(5)	GustoMSC Bully PRD 12000	2011 N	8,200	40,000	U.S. Gulf of Mexico	Active
Noble Bully II (3)(5)	GustoMSC Bully PRD 12000	2011 N	8,200	40,000	Brazil	Active
Noble Discoverer (3)	Sonat Discoverer Class	2009 R	1,000	20,000	Alaska	Active
Noble Don Taylor	Hyundai Gusto P 10000	2013 N	12,000	40,000	South Korea	Shipyard
Noble Duchess	Conversion	2012 R	1,500	25,000	India	Active
Noble Globetrotter I (3)	Globetrotter Class	2011 N	10,000	30,000	U.S. Gulf of Mexico	Active
Noble Globetrotter II (3)	Globetrotter Class	2013 N	10,000	30,000	The Netherlands	Shipyard
Noble Leo Segerius	Gusto Engineering Pelican Class	2012 R	5,600	20,000	Brazil	Active
Noble Muravlenko	Gusto Engineering Pelican Class	1997 R	4,900	20,000	U.S. Gulf of Mexico	Stacked
Noble Phoenix	Gusto Engineering Pelican Class	2009 R	5,000	25,000	Brazil	Active
Noble Roger Eason	NAM Nedlloyd C	2013 R	7,200	25,000	Brazil	Active
Noble Sam Croft	Hyundai Gusto P 10000	2014 N	12,000	40,000	South Korea	Shipyard
Noble Newbuild Drillship #4 (3)	Hyundai Gusto P 10000	2014 N	12,000	40,000	South Korea	Shipyard
Independent Leg Cantilevered Jackups 49 (Continued to next page)						
Dhabi II	Baker Marine BMC 150	2006 R	150	20,000	U.A.E.	Active
Noble Al White (3)	CFEM T-2005-C	2005 R	360	30,000	The Netherlands	Active
Noble Alan Hay	Levingston Class 111-C	2005 R	300	25,000	U.A.E.	Active
Noble Bill Jennings	MLT Class 84 E.R.C.	1997 R	390	25,000	Mexico	Active
Noble Byron Welliver (3)	CFEM T-2005-C	1982	300	30,000	U.K.	Active
Noble Carl Norberg	MLT Class 82-C	2003 R	250	20,000	Mexico	Active
Noble Charles Copeland	MLT Class 82-SD-C	2001 R	280	20,000	Saudi Arabia	Active
Noble Charlie Yester	MLT Class 116-C	1980	300	25,000	India	Active
Noble Chuck Syring	MLT Class 82-C	1996 R	250	20,000	Qatar	Active
Noble David Tinsley	Modec 300C-38	2010 R	300	25,000	U.A.E.	Active
Noble Dick Favor	Baker Marine BMC 150	2004 R	150	20,000	U.A.E.	Active
Noble Don Walker	Baker Marine BMC 150-SD	1992R	150	20,000	Cameroon	Stacked
Noble Earl Frederickson	MLT Class 82-SD-C	1999 R	250	20,000	Mexico	Active
Noble Ed Holt	Levingston Class 111-C	2003 R	300	25,000	India	Active
Noble Ed Noble	MLT Class 82-SD-C	2003 R	250	20,000	Nigeria	Active
Noble Eddie Paul	MLT Class 84 E.R.C.	1995 R	390	25,000	Mexico	Active
Noble Gene House	Modec 300C-38	1998 R	300	25,000	Saudi Arabia	Active
Noble Gene Rosser	Levingston Class 111-C	1996 R	300	25,000	Mexico	Active

Noble George McLeod	F&G L-780 MOD II	1995 R	300	25,000	U.A.E.	Active
Noble George Sauvageau [3]	NAM Nedlloyd-C	1981	250	25,000	Denmark	Active
Noble Gus Androes	Levingston Class 111-C	2004 R	300	30,000	Qatar	Active
Noble Hans Deul [3]	F&G JU-2000E	2009 N	400	30,000	U.K	Active

See footnotes on the following page.

Table of Contents

Name	Make	Year Built or Rebuilt (1)	Water Depth Rating (feet)	Drilling Depth Capacity (feet)	Location	Status (2)
Independent Leg Cantilevered Jackups 49 (Continued from previous page)						
Noble Harvey Duhaney	Levingston Class 111-C	2001 R	300	25,000	Qatar	Active
Noble Houston Colbert (3)	F&G JU-3000N	2013 N	400	30,000	Singapore	Shipyard
Noble Jimmy Puckett	F&G L-780 MOD II	2002 R	300	25,000	Qatar	Active
Noble Joe Beall	Modec 300C-38	2004 R	300	25,000	Saudi Arabia	Active
Noble John Sandifer	Levingston Class 111-C	1995 R	300	25,000	Mexico	Active
Noble Johnnie Hoffman	Baker Marine BMC 300	1993 R	300	25,000	Mexico	Active
Noble Julie Robertson (3) (4)	BMC 300 Harsh Weather Class	2001 R	390	25,000	U.K.	Active
Noble Kenneth Delaney	F&G L-780 MOD II	1998 R	300	25,000	India	Active
Noble Leonard Jones	MLT Class 53 E.R.C.	1998 R	390	25,000	Mexico	Active
Noble Lewis Dugger	Levingston Class 111-C	1997 R	300	25,000	Mexico	Active
Noble Lloyd Noble	MLT Class 82-SD-C	1990 R	250	20,000	Cameroon	Active
Noble Lynda Bossler (3)	MSC/CJ-46	1982	250	25,000	The Netherlands	Active
Noble Mick O Brien (3)	F&G JU-3000N	2013 N	400	30,000	Singapore	Shipyard
Noble Percy Johns	F&G L-780 MOD II	1995 R	300	25,000	Nigeria	Active
Noble Piet van Ede (3)	MSC/CJ-46	1982	250	25,000	The Netherlands	Active
Noble Regina Allen (3)	F&G JU-3000N	2013 N	400	30,000	Singapore	Shipyard
Noble Roger Lewis	F&G JU-2000E	2007	400	30,000	Saudi Arabia	Active
Noble Ronald Hoope (3)	MSC/CJ-46	1982	250	25,000	The Netherlands	Active
Noble Roy Butler	F&G L-780 MOD II	1998 R	300	25,000	Mexico	Active
Noble Roy Rhodes	MLT Class 116-C	2009 R	300	25,000	Oman	Active
Noble Sam Noble	Levingston Class 111-C	1982	300	25,000	Mexico	Active
Noble Sam Turner (3)	F&G JU-3000N	2014 N	400	30,000	Singapore	Shipyard
Noble Scott Marks (3)	F&G JU-2000E	2009 N	400	30,000	Saudi Arabia	Active
Noble Tom Jobe	MLT Class 82-SD-C	1982	250	25,000	Mexico	Active
Noble Tom Prosser (3)	F&G JU-3000N	2014 N	400	30,000	Singapore	Shipyard
Noble Tommy Craighead	F&G L-780 MOD II	2003 R	300	25,000	Gabon	Active
Noble Newbuild Jackup #6 (3)	F&G JU-3000N	2014 N	400	30,000	Singapore	Shipyard
Submersibles 2						
Noble Joe Alford	Pace Marine 85G	2006 R	70	25,000	U.S. Gulf of Mexico	Stacked
Noble Lester Pettus	Pace Marine 85G	2007 R	70	25,000	U.S. Gulf of Mexico	Stacked
FPSO- 1						
Seillean	Harland & Wolf Shipbuilding	2008 R	N/A	N/A	U.S. Gulf of Mexico	Stacked

Footnotes to Drilling Fleet Table

1. Rigs designated with an R were modified, refurbished or otherwise upgraded in the year indicated by capital expenditures in an amount deemed material by management. Rigs designated with an N are newbuilds. Rigs designated with an M have been upgraded to the Noble NC-5SM mooring standard.
2. Rigs listed as active were either operating under contract or were actively seeking contracts; rigs listed as shipyard are in a shipyard for construction, repair, refurbishment or upgrade; rigs listed as stacked are idle without a contract and are not actively marketed in present market conditions.
3. Harsh environment capability.
4. Although designed for a water depth rating of 390 feet of water in a non-harsh environment, the rig is currently equipped with legs adequate to drill in approximately 200 feet of water in a harsh environment. We own the additional leg sections required to extend the drilling depth capability to 390 feet of water.
5. We own and operate the *Noble Bully I* and *Noble Bully II* through joint ventures with a subsidiary of Shell. Under the terms of the joint venture agreements, each party has an equal 50 percent ownership stake in both vessels.

Table of Contents

Facilities

Our corporate headquarters is located in Baar, Switzerland, and we maintain offices for executive officers and selected personnel in Geneva, Switzerland. We also maintain office space in Sugar Land, Texas, where significant worldwide global support activity occurs. In addition, we own and lease administrative and marketing offices, and sites used primarily for storage, maintenance and repairs, and research and development for drilling rigs and equipment in various locations worldwide.

Item 3. Legal Proceedings.

Information regarding legal proceedings is set forth in Note 16 to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market for Shares and Related Shareholder Information

Noble-Swiss shares are listed and traded on the New York Stock Exchange under the symbol NE . The following table sets forth for the periods indicated the high and low sales prices and dividends or returns of capital declared and paid in U.S. Dollars per share:

	High	Low	Dividends Declared and Paid
2012			
Fourth quarter	$ 39.81	$ 33.51	$ 0.13
Third quarter	38.60	32.21	0.13
Second quarter	38.82	29.13	0.14
First quarter	41.25	30.29	0.14
2011			
Fourth quarter	$ 38.42	$ 28.58	$ 0.14
Third quarter	39.70	27.68	0.17
Second quarter	46.10	37.51	0.15
First quarter	46.12	35.64	0.14

The declaration and payment of dividends or returns of capital require authorization of the shareholders of Noble-Swiss. The amount of such dividends, distributions and returns of capital will depend on our results of operations, financial condition, cash requirements, future business prospects, contractual restrictions and other factors deemed relevant by our Board of Directors and our shareholders.

On February 11, 2013, there were 253,225,668 shares outstanding held by 794 shareholder accounts of record.

Swiss Tax Consequences to Shareholders of Noble-Swiss

The tax consequences discussed below are not a complete analysis or listing of all the possible tax consequences that may be relevant to shareholders of Noble. Shareholders should consult their own tax advisors in respect of the tax consequences related to receipt, ownership, purchase or sale or other disposition of our shares and the procedures for claiming a refund of withholding tax.

Swiss Income Tax on Dividends and Similar Distributions

A non-Swiss holder will not be subject to Swiss income taxes on dividend income and similar distributions in respect of our shares, unless the shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder. However, dividends and similar distributions are subject to Swiss withholding tax. See Swiss Withholding Tax Dividends to Shareholders.

Swiss Wealth Tax

A non-Swiss holder will not be subject to Swiss wealth taxes unless the holder s shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder.

Swiss Capital Gains Tax upon Disposal of Shares

A non-Swiss holder will not be subject to Swiss income taxes for capital gains unless the holder s shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder. In such case, the non-Swiss holder is required to recognize capital gains or losses on the sale of such shares, which will be subject to cantonal, communal and federal income tax.

Swiss Withholding Tax Dividends to Shareholders

A Swiss withholding tax of 35 percent is due on dividends to our shareholders from us, regardless of the place of residency of the shareholder (subject to the exceptions discussed under Exemption from Swiss Withholding Tax Distributions to Shareholders below). We will be required to withhold at such rate and remit on a net basis any payments made to a holder of our shares and pay such withheld amounts to the Swiss federal tax authorities. Please see Refund of Swiss Withholding Tax on Dividends and Other Distributions.

Exemption from Swiss Withholding Tax Distributions to Shareholders

Under present Swiss tax law, distributions to shareholders in relation to a reduction of par value are exempt from Swiss withholding tax. Since January 1, 2011, distributions to shareholders out of qualifying additional paid-in capital for Swiss statutory purposes are exempt from the Swiss withholding tax. Consequently, we expect that a substantial amount of any potential future distributions, whether distributed as a reduction of par value or directly out of qualifying additional paid-in capital may be exempt from Swiss withholding tax.

Repurchases of Shares

Under present Swiss tax law, repurchases of shares for the purposes of capital reduction are treated as a partial liquidation subject to the 35 percent Swiss withholding tax. However, for shares repurchased for capital reduction, the portion of the repurchase price attributable to the par value of the shares repurchased will not be subject to the Swiss withholding tax. Since January 1, 2011, the portion of the repurchase price attributable to the qualifying additional paid-in capital for Swiss statutory reporting purposes of the shares repurchased will also not be subject to the Swiss withholding tax. We would be required to withhold at such rate the tax from the difference between the repurchase price and the related amount of par value and the related amount of qualifying additional paid-in capital. We would be required to remit on a net basis the purchase price with the Swiss withholding tax deducted to a holder of our shares and pay the withholding tax to the Swiss federal tax authorities.

With respect to the refund of Swiss withholding tax from the repurchase of shares, see Refund of Swiss Withholding Tax on Dividends and Other Distributions.

In most instances, Swiss companies listed on the SIX Swiss Exchange (SIX), carry out share repurchase programs through a second trading line on the SIX. Swiss institutional investors typically purchase shares from shareholders on the open market and then sell the shares on the second trading line back to the company. The Swiss institutional investors are generally able to receive a full refund of the withholding tax. Due to, among other things, the time delay between the sale to the company and the institutional investors receipt of the refund, the price companies pay to repurchase their shares has historically been slightly higher (but less than 1 percent) than the price of such companies shares in ordinary trading on the SIX first trading line.

We do not expect to be able to use the SIX second trading line process to repurchase our shares because we do not currently intend to list our shares on the SIX. However, we have in the past and intend to continue to follow an alternative process whereby we expect to be able to repurchase our shares in a manner that should allow Swiss institutional market participants selling the shares to us to receive a refund of the Swiss withholding tax and, therefore, accomplish the same purpose as share repurchases on the second trading line at substantially the same cost to us and such market participants as share repurchases on a second trading line.

The repurchase of shares for purposes other than capital reduction, such as to retain as treasury shares for use in connection with stock incentive plans, convertible debt or other instruments within certain periods, will generally not be subject to Swiss withholding tax.

Refund of Swiss Withholding Tax on Dividends and Other Distributions

Swiss holders A Swiss tax resident, corporate or individual, can recover the withholding tax in full if such resident is the beneficial owner of our shares at the time the dividend or other distribution becomes due and provided that such resident reports the gross distribution received on such resident s income tax return, or in the case of an entity, includes the taxable income in such resident s income statement.

Non-Swiss holders If the shareholder that receives a distribution from us is not a Swiss tax resident, does not hold our shares in connection with a permanent establishment or a fixed place of business maintained in Switzerland, and resides in a country that has concluded a treaty for the avoidance of double taxation with Switzerland for which the conditions for the application and protection of and by the treaty are met, then the shareholder may be entitled to a full or partial refund of the withholding tax described above. The procedures for claiming treaty refunds (and the time frame required for obtaining a refund) may differ from country to country.

Switzerland has entered into bilateral treaties for the avoidance of double taxation with respect to income taxes with numerous countries, including the U.S., whereby under certain circumstances all or part of the withholding tax may be refunded.

U.S. residents The Swiss-U.S. tax treaty provides that U.S. residents eligible for benefits under the treaty can seek a refund of the Swiss withholding tax on dividends for the portion exceeding 15 percent (leading to a refund of 20 percent) or a full refund in the case of qualified pension funds.

As a general rule, the refund will be granted under the treaty if the U.S. resident can show evidence of:

- beneficial ownership,
- U.S. residency, and
- meeting the U.S.-Swiss tax treaty s limitation on benefits requirements.

The claim for refund must be filed with the Swiss federal tax authorities (Eigerstrasse 65, 3003 Berne, Switzerland), no later than December 31 of the third year following the year in which the dividend payments became due. The relevant Swiss tax form is Form 82C for companies, 82E for other entities and 82I for individuals. These forms can be obtained from any Swiss Consulate General in the U.S. or from the Swiss federal tax authorities at the address mentioned above or at www.estv.admin.ch. Each form needs to be filled out in triplicate, with each copy duly completed and signed before a notary public in the U.S. Evidence that the withholding tax was withheld at the source must also be included.

Stamp duties in relation to the transfer of shares The purchase or sale of our shares may be subject to Swiss federal stamp taxes on the transfer of securities irrespective of the place of residency of the purchaser or seller if the transaction takes place through or with a Swiss bank or other Swiss securities dealer, as those terms are defined in the Swiss Federal Stamp Tax Act and no exemption applies in the specific case. If a purchase or sale is not entered into through or with a Swiss bank or other Swiss securities dealer, then no stamp tax will be due. The applicable stamp tax rate is 0.075 percent for each of the two parties to a transaction and is calculated based on the purchase price or sale proceeds. If the transaction does not involve cash consideration, the transfer stamp duty is computed on the basis of the market value of the consideration.

Table of Contents

Purchases of Shares

The following table sets forth for the periods indicated certain information with respect to repurchases by Noble-Swiss of its shares:

Period	Total Number of Shares Purchased (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
October 2012	189	$ 38.09		6,769,891
November 2012		$ 0.00		6,769,891
December 2012	2,200	$ 34.28		6,769,891

(1) All share purchases made in the open market and were pursuant to the share repurchase program which our Board of Directors authorized and adopted and our shareholders approved. Our repurchase program has no date of expiration.

(2) Amounts represent shares surrendered by employees for withholding taxes payable upon the vesting of restricted stock or exercise of stock options.

Stock Performance Graph

This graph shows the cumulative total shareholder return of our shares over the five-year period from January 1, 2008 to December 31, 2012. The graph also shows the cumulative total returns for the same five-year period of the S&P 500 Index and the Dow Jones U.S. Oil Equipment & Services Index. The graph assumes that $100 was invested in our shares and the two indices on January 1, 2008 and that all dividends or distributions and returns of capital were reinvested on the date of payment.

	INDEXED RETURNS Year Ended December 31,				
Company Name / Index	**2008**	**2009**	**2010**	**2011**	**2012**
Noble Corporation	$ 39.76	$ 73.66	$ 66.55	$ 57.12	$ 66.82
S&P 500 Index	63.00	79.67	91.68	93.61	108.59
Dow Jones U.S. Oil Equipment & Services	40.70	67.22	85.60	74.96	75.20

Table of Contents

Investors are cautioned against drawing any conclusions from the data contained in the graph, as past results are not necessarily indicative of future performance.

The above graph and related information shall not be deemed soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Item 6. Selected Financial Data.

The following table sets forth selected financial data of us and our consolidated subsidiaries over the five-year period ended December 31, 2012, which information is derived from our audited financial statements. This information should be read in connection with, and is qualified in its entirety by, the more detailed information in our financial statements included in Item 8 of this Annual Report on Form 10-K.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share amounts)				
Statement of Income Data					
Operating revenues	$ 3,547,012	$ 2,695,832	$ 2,807,176	$ 3,640,784	$ 3,446,501
Net income attributable to Noble Corporation	522,344	370,898	773,429	1,678,642	1,560,995
Net income per share:					
Basic	2.05	1.46	3.03	6.44	5.85
Diluted	2.05	1.46	3.02	6.42	5.81
Balance Sheet Data (at end of period)					
Cash and marketable securities	$ 282,092	$ 239,196	$ 337,871	$ 735,493	$ 513,311
Property and equipment, net	13,025,972	12,130,345	10,213,158	6,815,637	5,647,017
Total assets	14,607,774	13,495,159	11,302,387	8,396,896	7,106,799
Long-term debt	4,634,375	4,071,964	2,686,484	750,946	750,789
Total debt (1)	4,634,375	4,071,964	2,766,697	750,946	923,487
Total equity	8,488,290	8,097,852	7,287,634	6,788,432	5,290,715
Other Data					
Net cash from operating activities	$ 1,381,693	$ 740,240	$ 1,636,902	$ 2,131,267	$ 1,888,192
Net cash from investing activities	(1,790,888)	(2,521,546)	(2,896,469)	(1,489,610)	(1,129,293)
Net cash from financing activities	452,091	1,682,631	861,945	(419,475)	(406,646)
Capital expenditures	1,669,811	2,621,235	1,406,010	1,426,049	1,231,321
Working capital	393,876	232,432	110,347	1,049,243	561,348
Cash dividends/par value reduction declared per share (2) (3)	0.54	0.60	0.88	0.18	0.91

(1) Consists of Long-Term Debt and Current Maturities of Long-Term Debt.

(2) From the third quarter of 2009 through the second quarter of 2012, we paid a return on capital in the form of par value reductions, in lieu of dividends, based upon an amount in Swiss Francs. In the third and fourth quarters of 2012, we paid a dividend from the capital contribution reserve. Amounts listed are in U.S. Dollars at the exchange rate that the dividend was paid.

(3) The par value reductions or cash dividends declared in 2010 and 2008 includes a special dividend of approximately $0.56 and $0.75 per share, respectively.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion is intended to assist you in understanding our financial position at December 31, 2012 and 2011, and our results of operations for each of the years in the three-year period ended December 31, 2012. You should read the accompanying consolidated financial statements and related notes in conjunction with this discussion.

Table of Contents

Executive Overview

Our 2012 financial and operating results include:

- operating revenues totaling $3.5 billion;
- net income of $522 million or $2.05 per diluted share;
- net cash from operating activities totaling $1.4 billion; and
- an increase in debt to 35.3 percent of total capitalization at the end of 2012, up from 33.5 percent at the end of 2011 due to the issuance of $1.2 billion in senior notes partially offset by a $635 million decrease in the amount of debt being drawn on our credit facilities and commercial paper program.

During 2012, we continued to see modest improvement in the offshore drilling market even as the underlying commodity markets were subject to short-term volatility. In the U.S. Gulf of Mexico, the granting of permits and publication of new safety rules during the latter half of 2011, has led to increased activity levels within the industry. The activity reflects the positive long-term outlook for commodity prices, which has led to increased activity by our customers and contributed to improved dayrates for deepwater and ultra-deepwater rigs worldwide, and excellent geologic success, which is leading to a backlog of appraisal and development projects.

There continues to be doubt regarding the sustainability of the global economic recovery, which is proceeding unevenly in different geographic regions. There is also hesitation regarding recovery in the credit markets, particularly in Europe, which some analysts predict could be the catalyst for a worldwide recession. Finally, political instability, especially in the Middle East and North Africa, has further created uncertainty within the marketplace. These factors may continue to impact the price of oil and gas commodities for the foreseeable future, and in turn, could impact the offshore drilling market.

Despite the instability in the global economy and commodity prices noted above, the market for offshore drilling services has continued the upward trend that began during the second half of 2011. We believe both the short-term and long-term outlook for the deep and ultra-deepwater markets continues to strengthen. Market dayrates for new ultra-deepwater units consistently remained above $500,000 throughout the year, which is higher than rates seen in recent years. A number of fixtures have exceeded $550,000, and in certain cases even exceeded $600,000. Our market analysis indicates that there is little, if any, availability of ultra-deepwater units for 2013. In addition, availability of ultra-deepwater units in 2014 continues to decrease. Utilization rates for jackups stabilized in 2011, and improved in most regions during 2012. We have seen tangible market activity and anticipate a favorable environment for these rigs in the short-term. We continue to see differentiation in the jackup market, with newer units having utilization rates and dayrates exceeding those for units that entered service before 2000. We continue to see improvement in the older jack-up market with increased utilization and competitive dayrates for these rigs as well, with most regions experiencing market utilization of 90 percent or higher.

As part of our strategic planning process, we review our fleet and the strategic benefits of our drilling rigs. As part of this process, we continuously analyze the potential divestment of certain of our standard specification units and related assets in one or more transactions. These dispositions may include sales of assets to third parties, a spin-off or other distribution or separation of assets or a combination of such transactions. In analyzing our disposition alternatives, we consider the strategic benefit to our ongoing operations while seeking to secure what we consider appropriate value for our shareholders. While we could continue to operate some or all standard specification drilling rigs, we have taken certain preliminary steps to put ourselves in a better position to pursue a potential spin-off and/or sale should we decide to do so. These include analyzing the internal restructuring steps necessary for a potential spin-off or sale and related tax considerations, seeking certain preparatory tax rulings and commencing preparation of financial statements for a potential separate group that could be spun off or sold. We have not completed the preliminary work to effect, nor has our board approved, any such transactions. We make no assurance that we will ultimately undertake any sales or spin-off or separation transactions involving standard specification assets.

Table of Contents

We have actively expanded our offshore drilling and deepwater capabilities in recent years through the construction and acquisition of new rigs. As part of this technical and operational enhancement, we plan to continue pursuing opportunities to upgrade our fleet to achieve greater technological capability, which should increase our operational efficiencies.

During 2012, we continued our newbuild program as indicated by the following activities:

- we commenced operations on three dynamically positioned ultra-deepwater, harsh environment drillships: two Bully-class drillships currently operating in the U.S. Gulf of Mexico and Brazil, respectively, and one *Globetrotter*-class drillship currently operating in the U.S. Gulf of Mexico;

- we continued construction on one dynamically positioned, ultra-deepwater, harsh environment *Globetrotter*-class drillship, which is scheduled to be delivered to our customer in the fourth quarter of 2013;

- we continued construction on four dynamically positioned, ultra-deepwater, harsh environment drillships at Hyundai Heavy Industries Co. Ltd., the first of which is estimated to be delivered from the shipyard in the second quarter of 2013; and

- we continued construction on six high-specification, heavy duty, harsh environment jackups, the first of which is estimated to be delivered from the shipyard in the second quarter of 2013.

While we cannot predict the future level of demand or dayrates for our drilling services or future conditions in the offshore contract drilling industry, we continue to believe we are well positioned within the industry and believe our continued newbuild activity will further strengthen our position, especially in deepwater drilling.

We have entered into an agreement to sell our jackup, the *Noble Lewis Dugger*, to a third party that owns and operates supply vessels, platform drilling rigs and jackups in Mexico. This unit is being sold for $61 million and the closing is expected to occur in the second quarter of 2013 after the unit has completed its contract with its current customer. The transaction is subject to customary closing conditions. We had entered into an agreement to sell the *Noble Don Walker* for $18 million. The buyer was unable to close the transaction, although we remain in discussions to potentially extend the sale agreement. The unit has been cold-stacked in Cameroon since 2009.

Table of Contents

Contract Drilling Services Backlog

We maintain a backlog (as defined below) of commitments for contract drilling services. The following table sets forth as of December 31, 2012 the amount of our contract drilling services backlog and the percent of available operating days committed for the periods indicated:

		Year Ending December 31,				
	Total	2013	2014	2015	2016	2017-2023
			(In millions)			
Contract Drilling Services Backlog						
Semisubmersibles/Drillships (1) (5)	$ 11,903	$ 2,648	$ 2,622	$ 1,880	$ 1,334	$ 3,419
Jackups (2)	2,443	1,372	827	237	7	
Total (3)	$ 14,346	$ 4,020	$ 3,449	$ 2,117	$ 1,341	$ 3,419
Percent of Available Days Committed (4)		74%	50%	22%	10%	5%

(1) Our drilling contracts with Petrobras provide an opportunity for us to earn performance bonuses based on downtime experienced for our rigs operating offshore Brazil. With respect to our semisubmersibles operating offshore Brazil for Petrobras, we have included in our backlog an amount equal to 75 percent of potential performance bonuses for such semisubmersibles. With respect to our drillships presently operating offshore Brazil for Petrobras, we have included in our backlog an amount equal to 75 percent of potential performance bonuses for periods after the estimated completion of certain upgrade projects that are designed to enhance the reliability and operational performance of the drillships. Our backlog for semisubmersibles/drillships includes approximately $197 million attributable to these performance bonuses.

The drilling contracts with Shell for the *Noble Globetrotter I*, *Noble Globetrotter II*, *Noble Jim Thompson*, *Noble Clyde Boudreaux, Noble Max Smith*, *Noble Don Taylor* and the *Noble Jim Day*, provide opportunities for us to earn performance bonuses based on key performance indicators as defined by Royal Dutch Shell, PLC (Shell). With respect to these contracts, we have included in our backlog an amount equal to 50 percent of the potential performance bonuses for these rigs. Our backlog for these rigs includes approximately $409 million attributable to these performance bonuses.

(2) Pemex has the ability to cancel its drilling contracts on 30 days or less notice without Pemex s making an early termination payment. At December 31, 2012, we had 12 rigs contracted to Pemex in Mexico, and our backlog includes approximately $613 million related to such contracts.

(3) Our drilling contracts generally provide the customer an early termination right in the event we fail to meet certain performance standards, including downtime thresholds. For example, Petrobras has the right to terminate its contracts in the event of excessive downtime. While we have exceeded downtime thresholds in the past on certain rigs contracted with Petrobras, we have not received any notification concerning contract cancellations nor do we anticipate receiving any such notifications.

(4) Percentages take into account additional capacity from the estimated dates of deployment of our newbuild rigs that are scheduled to commence operations during 2013 through 2015.

(5)

Noble and a subsidiary of Shell are involved in joint ventures that own and operate both the *Noble Bully I* and the *Noble Bully II*. Under the terms of the joint venture agreements, each party has an equal 50 percent share in both vessels. As of December 31, 2012, the combined amount of backlog for these rigs totals $2.28 billion, all of which is included in our backlog. Noble s proportional interest in the backlog for these rigs was $1.14 billion.

Our contract drilling services backlog reported above reflects estimated future revenues attributable to both signed drilling contracts and letters of intent that we expect to realize. A letter of intent is generally subject to customary conditions, including the execution of a definitive drilling contract. It is possible that some customers that have entered into letters of intent will not enter into signed drilling contracts. We calculate backlog for any given unit and period by multiplying the full contractual operating dayrate for such unit by the number of days remaining in the period. The reported contract drilling services backlog does not include amounts representing revenues for mobilization, demobilization and contract preparation, which are not expected to be significant to our contract drilling services revenues, amounts constituting reimbursables from customers or amounts attributable to uncommitted option periods under drilling contracts or letters of intent.

The amount of actual revenues earned and the actual periods during which revenues are earned may be materially different than the backlog amounts and backlog periods set forth in the table above due to various factors, including, but not limited to, shipyard and maintenance projects, unplanned downtime, achievement of bonuses, weather conditions and other factors that result in applicable dayrates lower than the full contractual operating dayrate. In addition, amounts included in the backlog may change because drilling contracts may be varied or modified by mutual consent or customers may exercise early termination rights contained in some of our drilling contracts or decline to enter into a drilling contract after executing a letter of intent. As a result, our backlog as of any particular date may not be indicative of our actual operating results for the periods for which the backlog is calculated.

Nigerian Operations

As previously disclosed, in November 2010 we finalized settlements with the SEC and the DOJ as the result of an internal investigation of the legality under the United States Foreign Corrupt Practices Act (FCPA) and local laws of certain reimbursement payments made by our Nigerian affiliate to our customs agents in Nigeria. In January 2011, a subsidiary of Noble-Swiss resolved an investigation by the Nigerian Economic and Financial Crimes Commission and the Nigerian Attorney General Office into these same activities. Any additional investigation by these or other agencies could damage our reputation and result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. Further, resolving any additional investigations could be expensive and consume significant time and attention of our senior management.

Acquisition of Frontier Holdings Limited

On July 28, 2010, Noble-Swiss and Noble AM Merger Co., a Cayman Islands company and indirect wholly-owned subsidiary of Noble-Swiss (Merger Sub), completed the acquisition of FDR Holdings Limited, a Cayman Islands company (Frontier). Under the terms of the Agreement and Plan of Merger with Frontier and certain of Frontier s shareholders, Merger Sub merged with and into Frontier, with Frontier surviving as an indirect wholly-owned subsidiary of Noble-Swiss and a wholly-owned subsidiary of Noble-Cayman. The Frontier acquisition was for a purchase price of approximately $1.7 billion in cash plus liabilities assumed and strategically expanded and enhanced our global fleet. Frontier s results of operations were included in our results beginning July 28, 2010. We funded the cash consideration paid at closing of approximately $1.7 billion using proceeds from our July 2010 offering of senior notes and existing cash on hand.

RESULTS OF OPERATIONS

2012 Compared to 2011

General

The consolidated financial statements of Noble-Swiss include the accounts of Noble-Cayman, and Noble-Swiss conducts substantially all of its business through Noble-Cayman and its subsidiaries. As a result, the financial position and results of operations for Noble-Cayman, and the reasons for material changes in the amount of revenue and expense items between 2012 and 2011, would be the same as the information presented below regarding Noble-Swiss in all material respects, except operating income for Noble-Cayman for the year ended December 31, 2012 was $58 million higher than operating income for Noble-Swiss for the same period, primarily as a result of costs directly attributable to Noble-Swiss for operations support and stewardship related services.

Net income attributable to Noble Corporation for 2012 was $522 million, or $2.05 per diluted share, on operating revenues of $3.5 billion, compared to net income for 2011 of $371 million, or $1.46 per diluted share, on operating revenues of $2.7 billion.

Table of Contents

Rig Utilization, Operating Days and Average Dayrates

Operating revenues and operating costs and expenses for our contract drilling services segment are dependent on three primary metrics: rig utilization, operating days and dayrates. The following table sets forth the average rig utilization, operating days and average dayrates for our rig fleet for 2012 and 2011 (dollars in thousands):

	Average Rig Utilization (1)		Operating Days (2)			Average Dayrates		
	2012	2011	2012	2011	% Change	2012	2011	% Change
Jackups	82%	75%	12,966	11,794	10%	$ 96,696	$ 85,510	13%
Semisubmersibles	86%	82%	4,382	4,176	5%	349,205	296,331	18%
Drillships	69%	59%	2,023	1,284	58%	279,432	242,019	15%
Other	0%	0%						
Total	**78%**	**72%**	**19,371**	**17,254**	**12%**	**$ 172,904**	**$ 148,185**	**17%**

(1) Information reflects our policy of reporting on the basis of the number of actively marketed rigs in our fleet excluding newbuild rigs under construction.
(2) Information reflects the number of days that our rigs were operating under contract.

Contract Drilling Services

The following table sets forth the operating revenues and the operating costs and expenses for our contract drilling services segment for 2012 and 2011 (dollars in thousands):

	2012	2011	Change $	Change %
Operating revenues:				
Contract drilling services	$ 3,349,362	$ 2,556,758	$ 792,604	31%
Reimbursables (1)	112,956	77,278	35,678	46%
Other	265	875	(610)	-70%
	$ 3,462,583	$ 2,634,911	$ 827,672	31%
Operating costs and expenses:				
Contract drilling services	$ 1,776,481	$ 1,384,200	$ 392,281	28%
Reimbursables (1)	91,646	56,589	35,057	62%
Depreciation and amortization	745,027	647,142	97,885	15%
Selling, general and administrative	97,967	90,262	7,705	9%
Loss on impairment	12,710		12,710	**
Gain on contract settlements/extinguishments, net	(33,255)	(21,202)	(12,053)	57%
	2,690,576	2,156,991	533,585	25%
Operating income	$ 772,007	$ 477,920	$ 294,087	62%

(1) We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

** Not a meaningful percentage.

Operating Revenues. Changes in contract drilling services revenues for the current year as compared to the prior year were driven by increases in both average dayrates and operating days. The 17 percent increase in average dayrates increased revenues by approximately $479 million while the 12 percent increase in operating days increased revenues by an additional $314 million.

The increase in contract drilling services revenues relates to our semisubmersibles, drillships and jackups, which generated approximately $293 million, $255 million and $245 million more revenue, respectively, in 2012.

The 18 percent increase in semisubmersible average dayrates resulted in a $232 million increase in revenues from the prior year while the increase in operating days of 5 percent resulted in an additional $61 million increase in revenues. The increase in semisubmersibles revenue is a result of our rigs returning to standard operating dayrates after experiencing lower standby rates due to drilling restrictions in the U.S. Gulf of Mexico in the prior year, as well as the *Noble Paul Romano* returning to work after being stacked for most of the prior year. The increase in operating days is primarily from the *Noble Jim Day,* the *Noble Homer Ferrington,* the *Noble Paul Romano,* the *Noble Clyde Boudreaux* and the *Noble Amos Runner*, which all operated during the current year after being off contract for the majority of the prior year.

The increase in drillship revenues was driven by a 58 percent increase in operating days and a 15 percent increase in average dayrates, resulting in a $179 million and a $76 million increase in revenues, respectively, from the prior year. The increase in both average dayrates and operating days was the result of the *Noble Bully I*, *Noble Bully II* and *Noble Globetrotter I*, which commenced their contracts with Shell in March 2012, April 2012 and July 2012, respectively. These increases were partially offset by the *Noble Phoenix*, which completed its shipyard project and was substituted for the *Noble Muravlenko* in Brazil during the current year, and a reduced rate on the *Noble Roger Eason* while it is in the shipyard to undergo its reliability upgrade project.

The 13 percent increase in jackup average dayrates resulted in a $145 million increase in revenues, which was coupled with a 10 percent increase in jackup operating days, resulting in a $100 million increase in revenues from the prior year. The increase in average dayrates resulted from improved market conditions in the global shallow water market throughout the jackup fleet. The increase in utilization primarily related to rigs in Mexico, West Africa and the Middle East, which experienced less downtime during the current year.

Operating Costs and Expenses. Contract drilling services operating costs and expenses increased $392 million for the current year as compared to the prior year. A portion of the increase is due to the crew-up and operating expenses for the recently completed rigs noted above, which have added approximately $139 million in expense in the current year. Excluding the additional expenses related to these rigs, our contract drilling costs increased $253 million in the current year from the prior year. This change was primarily driven by a $75 million increase in labor due to rigs returning, or preparing to return, to work and salary increases effective in the second and third quarters of the prior year, a $47 million increase in shorebase support due to salary increases in the current year and increased project-related costs, a $44 million increase in maintenance and rig-related expense, a $26 million increase in mobilization due to the amortization of certain rig moves and the demobilization of rigs primarily in Mexico, a $20 million increase in insurance costs related to increased premiums on our policy renewed in March 2012, a $14 million increase in rig catering and communications, a $13 million increase in safety, training and regulatory inspections, a $6 million increase in agency and other miscellaneous expenses, a $5 million increase in fuel and transportation costs and a $3 million increase in rotation costs.

Depreciation and amortization increased $98 million in 2012 over 2011, which is primarily attributable to assets placed in service during the current year, including the *Noble Bully I*, *Noble Bully II* and the *Noble Globetrotter I.*

Loss on impairment during the current year related to an impairment charge on our submersible fleet, primarily as a result of the declining market outlook for drilling services for this rig type.

Gain on contract settlements/extinguishments during the current year related to a $28 million gain on the settlement of an action with certain vendors for damages sustained during Hurricane Ike. Additionally, we received $5 million from a claims settlement on the *Noble David Tinsley*, which had experienced a punch-through while being positioned on location in 2009.

Table of Contents

Other

The following table sets forth the operating revenues and the operating costs and expenses for our other services for 2012 and 2011 (dollars in thousands):

	2012	2011	Change $	%
Operating revenues:				
Labor contract drilling services	$ 81,890	$ 59,004	$ 22,886	39%
Reimbursables (1)	2,539	1,917	622	32%
	$ 84,429	$ 60,921	$ 23,508	39%
Operating costs and expenses:				
Labor contract drilling services	$ 46,895	$ 33,885	$ 13,010	38%
Reimbursables (1)	2,450	1,850	600	32%
Depreciation and amortization	13,594	11,498	2,096	18%
Selling, general and administrative	2,023	1,115	908	81%
Loss on impairment	7,674		7,674	**
	72,636	48,348	24,288	50%
Operating income	$ 11,793	$ 12,573	$ (780)	-6%

(1) We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

** Not a meaningful percentage.

Operating Revenues and Costs and Expenses. The increase in both revenue and expense primarily relates to a project with our customer, Shell, for one of its rigs operating under a labor contract in Alaska.

Loss on impairment during the current year related to an impairment charge on certain corporate assets, as a result of a declining market for, and the potential disposal of, the assets.

Other Income and Expenses

Selling, general and administrative expenses. Overall selling, general and administrative expenses increased $9 million in 2012 from 2011 primarily as a result of increased legal and tax expenses related to ongoing projects of $5 million, coupled with increases in employee-related costs of $4 million.

Interest Expense, net of amount capitalized. Interest expense, net of amount capitalized, increased $30 million in 2012 from 2011. The increase is a result of the $1.2 billion of senior notes issued in February 2012, coupled with lower capitalized interest due primarily to the completion of construction on three of our newbuild drillships. During the current year, we capitalized approximately 61 percent of total interest charges versus approximately 69 percent during the prior year.

Income Tax Provision. Our income tax provision increased $74 million in 2012 compared to 2011 primarily as a result of a higher pre-tax earnings and effective tax rate during the current year. Pre-tax earnings increased approximately 61 percent in 2012 compared to 2011 resulting in a $45 million increase in income tax expense. The higher effective tax rate, which was 20.9 percent in 2012 compared to 16.7 percent in 2011, increased income tax expense by approximately $29 million. The increase in the effective tax rate was a result of a change in our geographic mix of our revenues and the resolution of certain discrete tax items.

2011 Compared to 2010

General

The consolidated financial statements of Noble-Swiss include the accounts of Noble-Cayman, and Noble-Swiss conducts substantially all of its business through Noble-Cayman and its subsidiaries. As a result, the financial position and results of operations for Noble-Cayman, and the reasons for material changes in the amount of revenue and expense items between 2011 and 2010, would be the same as the information presented below regarding Noble-Swiss in all material respects, except operating income for Noble-Cayman for the year ended December 31, 2011 was $49 million higher than operating income for Noble-Swiss for the same period, primarily as a result of costs directly attributable to Noble-Swiss for operations support and stewardship related services.

Net income attributable to Noble Corporation for 2011 was $371 million, or $1.46 per diluted share, on operating revenues of $2.7 billion, compared to net income for 2010 of $773 million, or $3.02 per diluted share, on operating revenues of $2.8 billion.

Rig Utilization, Operating Days and Average Dayrates

Operating revenues and operating costs and expenses for our contract drilling services segment are dependent on three primary metrics: rig utilization, operating days and dayrates. The following table sets forth the average rig utilization, operating days and average dayrates for our rig fleet for 2011 and 2010 (dollars in thousands):

	Average Rig Utilization (1)		Operating Days (2)			Average Dayrates		
	2011	2010	2011	2010	% Change	2011	2010	% Change
Jackups	75%	79%	11,794	12,376	-5%	$ 85,510	$ 96,935	-12%
Semisubmersibles	82%	86%	4,176	3,837	9%	296,331	288,163	3%
Drillships	59%	89%	1,284	1,392	-8%	242,019	256,067	-5%
Other	0%	11%		95	-100%		355,986	-100%
Total	**72%**	**78%**	**17,254**	**17,700**	**-3%**	**$ 148,185**	**$ 152,292**	**-3%**

(1) Information reflects our policy of reporting on the basis of the number of actively marketed rigs in our fleet excluding newbuild rigs under construction.
(2) Information reflects the number of days that our rigs were operating under contract.

Contract Drilling Services

The following table sets forth the operating revenues and the operating costs and expenses for our contract drilling services segment for 2011 and 2010 (dollars in thousands):

	2011	2010	Change $	%
Operating revenues:				
Contract drilling services	$ 2,556,758	$ 2,695,493	$ (138,735)	-5%
Reimbursables (1)	77,278	73,959	3,319	4%
Other	875	2,332	(1,457)	-62%
	$ 2,634,911	$ 2,771,784	$ (136,873)	-5%
Operating costs and expenses:				
Contract drilling services	$ 1,384,200	$ 1,177,800	$ 206,400	18%
Reimbursables (1)	56,589	56,674	(85)	0%
Depreciation and amortization	647,142	528,011	119,131	23%
Selling, general and administrative	90,262	91,094	(832)	-1%
Gain on contract extinguishments, net	(21,202)		(21,202)	**
	2,156,991	1,853,579	303,412	16%
Operating income	$ 477,920	$ 918,205	$ (440,285)	-48%

(1) We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

** Not a meaningful percentage.

Table of Contents

Operating Revenues. Decreased contract drilling services revenues for the current year as compared to the prior year was driven by reductions in both average dayrates and operating days. The 3 percent decrease in average dayrates reduced revenues by approximately $71 million, and the 3 percent decrease in operating days decreased revenues by an additional $68 million.

The decrease in contract drilling services revenues primarily relates to our jackups, drillships and FPSO, which generated approximately $191 million, $46 million and $34 million less revenue, respectively, in 2011.

The decrease in jackup average dayrates of 12 percent resulted in a $135 million decrease in revenues from the prior year. The reduction in average dayrates was primarily from the contractual repricing of rigs in the Middle East, the North Sea, and Mexico for changes in market conditions in the global shallow water market. The 5 percent decline in jackup operating days resulted in a $56 million decline in revenues. The decrease in utilization primarily related to rigs coming off contract in Mexico and the Middle East during 2011, the majority of which did not return to work until the latter part of the year.

The decrease in drillship revenue was primarily driven by reduced dayrates of 5 percent and an 8 percent decrease in operating days, which resulted in decreased revenues of $18 million and $28 million, respectively, from the prior year. The decrease in drillship revenue is primarily the result of increased downtime in Brazil, as rigs entered the shipyard for upgrades and repairs.

Revenue from the *Noble Seillean* decreased $34 million as it was not under contract in 2011.

The decreases in revenue for the above rig classes were partially offset by an increase in revenue of $132 million from our semisubmersibles. The increase was primarily attributable to a 9 percent increase in operating days and 3 percent increase in average dayrates, which contributed additional revenue in 2011 of $98 million and $34 million, respectively. The increase is primarily attributable to operations from the newbuilds, *Noble Dave Beard* and *Noble Jim Day*, which were added to the fleet in March 2010 and January 2011, respectively. Additionally, the *Noble Driller* was added to the fleet in July 2010 as part of the Frontier acquisition.

Operating Costs and Expenses. Contract drilling services operating costs and expenses increased $206 million for the current year as compared to the prior year. The rigs added to the fleet as part of the Frontier acquisition and the *Noble Dave Beard* and the *Noble Jim Day* added approximately $120 million of operating costs in the current year. Excluding the additional expenses related to these rigs, our contract drilling costs increased $86 million in the current year from the prior year. This increase was primarily driven by a $22 million increase in maintenance and rig-related expenses, $20 million increase in mobilization costs, $18 million increase in labor costs, and an $11 million increase in safety and training costs. These cost increases were primarily for our rigs returning, or preparing to return, to work in Brazil and Mexico. Additionally, rotation costs and operations support costs increased $10 million and $5 million, respectively.

Depreciation and amortization increased $119 million in 2011 over 2010 as a result of depreciation on newbuilds placed into service, rigs added to the fleet as part of the Frontier acquisition and additional depreciation related to other capital expenditures on our fleet since the beginning of 2010.

Table of Contents

Other

The following table sets forth the operating revenues and the operating costs and expenses for our other services for 2011 and 2010 (dollars in thousands):

	2011	2010	Change $	Change %
Operating revenues:				
Labor contract drilling services	$ 59,004	$ 32,520	$ 26,484	81%
Reimbursables (1)	1,917	2,872	(955)	-33%
	$ 60,921	$ 35,392	$ 25,529	72%
Operating costs and expenses:				
Labor contract drilling services	$ 33,885	$ 22,056	$ 11,829	54%
Reimbursables (1)	1,850	2,740	(890)	-32%
Depreciation and amortization	11,498	11,818	(320)	-3%
Selling, general and administrative	1,115	903	212	23%
	48,348	37,517	10,831	29%
Operating income	$ 12,573	$ (2,125)	$ 14,698	-692%

(1) We record reimbursements from customers for out-of-pocket expenses as operating revenues and the related direct costs as operating expenses. Changes in the amount of these reimbursables generally do not have a material effect on our financial position, results of operations or cash flows.

Operating Revenues and Costs and Expenses. The increase in both revenue and expense primarily relates to the commencement of a refurbishment project with our customer, Shell, for one of its rigs to be operated under a labor contract in Alaska, combined with operational increases and foreign currency fluctuations in our Canadian operations.

Other Income and Expenses

Selling, general and administrative expenses. Overall selling, general and administrative expenses were consistent with 2010 as a $6 million increase primarily related to ongoing legal and tax expenses in the current year was offset by a $6 million decrease resulting from the absence of costs related to our completed FCPA investigation in the prior year.

Interest Expense, net of amount capitalized. Interest expense, net of amount capitalized, increased $46 million in 2011 from 2010. The increase is a result of $1.25 billion of debt issued in July 2010, which was used to partially fund the Frontier acquisition, $1.1 billion of debt issued in February 2011, which was primarily used to repay the outstanding balance on our revolving credit facility and to repay our portion of outstanding debt under the joint venture credit facilities, and current year drawdowns on the credit facilities.

Income Tax Provision. Our income tax provision decreased $70 million in 2011 compared to 2010 primarily due to a reduction in pre-tax earnings, which was partially offset by a higher effective tax rate. Pre-tax earnings decreased approximately 52 percent in 2011 compared to 2010 resulting in a reduction of approximately $75 million in income tax expense. The higher effective tax rate, which was 16.7 percent in 2011 compared to 15.6 percent in 2010, increased income tax expense by approximately $5 million. The increase in the effective tax rate was a result of a change in our geographic revenue mix primarily resulting from drilling restrictions in the U.S. Gulf of Mexico, partially offset by the resolution of discrete tax items.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Net cash from operating activities in 2012 was $1.4 billion, which compared to $740 million and $1.6 billion in 2011 and 2010, respectively. The increase in net cash from operating activities in 2012 compared to 2011 was primarily attributable to a significant increase in net income coupled with favorable changes in deferred taxes and other current liabilities, partially offset by an increase in accounts receivable. We had working capital of $394 million and $232 million at December 31, 2012 and 2011, respectively. Our total debt as a percentage of total debt plus equity increased to 35.3 percent at December 31, 2012 from 33.5 percent at December 31, 2011, primarily as a result of our $1.2 billion senior notes offering in February 2012, partially offset by a net reduction in indebtedness outstanding on our credit facilities and commercial paper program during the year.

Table of Contents

Our principal sources of capital in 2012 were the $1.4 billion in cash generated from operating activities noted above and our $1.2 billion senior notes offering in February 2012. Cash generated during the current year was primarily used to fund our capital expenditure program and to repay borrowings outstanding under our credit facilities and commercial paper program.

Our currently anticipated cash flow needs, both in the short-term and long-term, include the following:

- committed capital expenditures, including expenditures for newbuild projects currently underway;
- normal recurring operating expenses;
- discretionary capital expenditures, including various capital upgrades;
- payments of dividends; and
- repayment of maturing debt.

We currently expect to fund these cash flow needs with cash generated by our operations, cash on hand, borrowings under our existing credit facilities and commercial paper program and issuances of unsecured long-term debt. However, to adequately cover our expected cash flow needs, we may require capital in excess of the amount provided through these sources, and we may delay or cancel certain discretionary capital expenditures as necessary.

At December 31, 2012, we had a total contract drilling services backlog of approximately $14.3 billion. Our backlog as of December 31, 2012 reflects a commitment of 74 percent of available days for 2013. See Contract Drilling Services Backlog for additional information regarding our backlog.

Capital Expenditures

Our primary use of available liquidity during 2013 will be for capital expenditures. Capital expenditures, including capitalized interest, totaled $1.7 billion, $2.6 billion and $1.4 billion for 2012, 2011 and 2010, respectively. Capital expenditures for 2010 do not include the fair value of assets acquired as part of the Frontier acquisition.

At December 31, 2012, we had 11 rigs under construction, and capital expenditures, excluding capitalized interest, for new construction during 2012 totaled $587 million, as follows (in millions):

Rig type/name	
Currently under construction	
Drillships	
Noble Globetrotter II	$ 203.8
Noble Don Taylor (formerly HHI Drillship I)	86.7
Noble Bob Douglas (formerly HHI Drillship II)	62.3
Noble Sam Croft (formerly HHI Drillship III)	4.8
HHI Drillship IV	3.3
Jackups	
Noble Sam Turner (formerly Noble Jackup IV)	47.5
Noble Tom Prosser (formerly Noble Jackup V)	46.2
Noble Jackup VI	46.2
Noble Regina Allen (formerly Noble Jackup I)	11.9

Noble Houston Colbert (formerly Noble Jackup III)	5.9
Noble Mick O Brien (formerly Noble Jackup II)	5.4
Recently completed construction projects	
Noble Globetrotter I	44.1
Noble Bully II	17.0
Noble Bully I	1.6
Total Newbuild Capital Expenditures	$ 586.7

In addition to the newbuild expenditures noted above, capital expenditures during 2012 consisted of the following:

- $693 million for major projects, including subsea-related expenditures;
- $254 million for other capitalized expenditures, including upgrades and replacements to drilling equipment that generally have a useful life ranging from 3 to 5 years; and
- $136 million in capitalized interest.

Our total capital expenditures budget for 2013 is approximately $2.7 billion, which is currently anticipated to be spent as follows:

- approximately $1.5 billion in newbuild expenditures;
- approximately $870 million in major projects, including subsea-related expenditures; and
- approximately $320 million in sustaining capitalized expenditures.

In addition to the amounts noted above, we anticipate incurring additional capitalized interest, which may fluctuate as a result of the timing of completion of ongoing projects. In connection with our capital expenditure program, we have entered into certain commitments, including shipyard and purchase commitments, for approximately $2.8 billion at December 31, 2012, of which we expect to spend approximately $1.7 billion in 2013.

From time to time we consider possible projects that would require capital expenditures or other cash expenditures that are not included in our capital budget, and such unbudgeted capital or cash expenditures could be significant. In addition, we will continue to evaluate acquisitions of drilling units from time to time. Other factors that could cause actual capital expenditures to materially exceed planned capital expenditures include delays and cost overruns in shipyards (including costs attributable to labor shortages), shortages of equipment, latent damage or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions, changes in governmental regulations and requirements and changes in design criteria or specifications during repair or construction.

Distributions of Capital and Dividends

Our most recent quarterly dividend payment to shareholders, which was declared on February 1, 2013 and paid on February 21, 2013 to holders of record on February 11, 2013, was $0.13 per share, or an aggregate of approximately $33 million. The declaration and payment of dividends, or returns of capital in the form of par value reductions, require authorization of the shareholders of Noble-Swiss. The amount of such dividends, distributions and returns of capital will depend on our results of operations, financial condition, cash requirements, future business prospects, contractual restrictions and other factors deemed relevant by our Board of Directors and shareholders.

Recently, our Board of Directors approved as a proposal to shareholders at our upcoming annual general meeting scheduled for April 26, 2013 the payment of a dividend funded from our capital contribution reserve in a total amount equal to $1.00 per share to be paid in four equal installments scheduled for August 2013, November 2013, February 2014 and May 2014.

Credit Facilities and Senior Unsecured Notes

Credit Facilities and Commercial Paper Program

Noble currently has a maximum available capacity of $800 million on our credit facility maturing in 2015 and $1.5 billion on our credit facility maturing in 2017 (together referred to as the Credit Facilities). Our total debt related to the Credit Facilities and commercial paper program was $340 million at December 31, 2012 as compared to $975 million at December 31, 2011. During 2012, we undertook a series of transactions that increased our liquidity. We see this as a necessary step to finance our future capital commitments. The following summarizes the recent activity regarding our Credit Facilities and commercial paper program:

- in June 2012, we replaced our $575 million credit facility scheduled to mature in 2013, with a new $1.2 billion credit facility, which matures in 2017;

- in September 2012, we established a commercial paper program, which will allow us to issue up to $1.8 billion in unsecured commercial paper notes. Amounts issued under the commercial paper program are supported by the unused committed capacity under our Credit Facilities and, as such, are classified as long-term on our Consolidated Balance Sheet; and

- in January 2013, we increased the maximum amount available under our Credit Facilities from $1.8 billion to $2.3 billion. The maximum amount available under our credit facility maturing in 2015 was increased from $600 million to $800 million and the maximum amount available under our credit facility maturing in 2017 was increased from $1.2 billion to $1.5 billion.

The Credit Facilities provide us with the ability to issue up to $375 million in letters of credit in the aggregate. The issuance of letters of credit does not increase our borrowings outstanding under the Credit Facilities, but it does reduce the amount available. At December 31, 2012, we had no letters of credit issued under the Credit Facilities.

Senior Unsecured Notes

Our total debt related to senior unsecured notes was $4.3 billion at December 31, 2012 as compared to $3.1 billion at December 31, 2011. The increase in debt is a result of the issuance of $1.2 billion aggregate principal amount of senior notes in February 2012, which we issued through our indirect wholly-owned subsidiary, Noble Holding International Limited (NHIL). These senior notes were issued in three separate tranches, with $300 million of 2.50% Senior Notes due 2017, $400 million of 3.95% Senior Notes due 2022, and $500 million of 5.25% Senior Notes due 2042. The weighted average coupon of all three tranches is 4.13%. The net proceeds of approximately $1.19 billion, after expenses, were primarily used to repay the then outstanding balance on our Credit Facilities.

Our 5.875% Senior Notes mature during the second quarter of 2013. We anticipate using availability under our Credit Facilities or commercial paper program to repay the outstanding balance; therefore, we continue to report the balance as long-term at December 31, 2012.

Covenants

The Credit Facilities and commercial paper program are guaranteed by our indirect wholly-owned subsidiaries, NHIL and Noble Drilling Corporation (NDC). The covenants and events of default under the Credit Facilities are substantially similar, and each facility contains a covenant that limits our ratio of debt to total tangible capitalization, as defined in the Credit Facilities, to 0.60. At December 31, 2012, our ratio of debt to total tangible capitalization was less than 0.36. We were in compliance with all covenants under the Credit Facilities as of December 31, 2012.

In addition to the covenants from the Credit Facilities noted above, the indentures governing our outstanding senior unsecured notes contain covenants that place restrictions on certain merger and consolidation transactions, unless we are the surviving entity or the other party assumes the obligations under the indenture, and on the ability to sell or transfer all or substantially all of our assets. In addition, there are restrictions on incurring or assuming certain liens and sale and lease-back transactions. At December 31, 2012, we were in compliance with all our debt covenants. We continually monitor compliance with the covenants under our notes and, based on our expectations for 2013, expect to remain in compliance during the year.

Other

At December 31, 2012, we had letters of credit of $48 million and performance and tax assessment bonds totaling $264 million supported by surety bonds outstanding. Additionally, certain of our subsidiaries issue guarantees to the temporary import status of rigs or equipment imported into certain countries in which we operate. These guarantees are issued in-lieu of payment of custom, value added or similar taxes in those countries.

Table of Contents

Summary of Contractual Cash Obligations and Commitments

The following table summarizes our contractual cash obligations and commitments at December 31, 2012 (in thousands):

				Payments Due by Period				
	Total	2013	2014	2015	2016	2017	Thereafter	Other
Contractual Cash Obligations								
Long-term debt obligations (1)	$ 4,634,375	$ 639,794	$ 249,799	$ 350,000	$ 299,952	$ 299,852	$ 2,794,978	$
Interest payments	2,949,927	205,343	186,353	177,902	161,252	153,240	2,065,837	
Operating leases	79,808	28,182	22,756	10,420	4,062	3,567	10,821	
Pension plan contributions	136,220	8,166	7,388	8,123	10,200	10,232	92,111	
Purchase commitments (2)	2,758,833	1,730,862	1,027,971					
Dividends	66,369	66,369						
Tax reserves (3)	124,972							124,972
Total contractual cash obligations	$ 10,750,504	$ 2,678,716	$ 1,494,267	$ 546,445	$ 475,466	$ 466,891	$ 4,963,747	$ 124,972

(1) In 2013, our 5.875% senior notes and amounts outstanding under our commercial paper program mature. We anticipate using availability on our Credit Facilities or commercial paper program to repay these outstanding balances; therefore, we have shown the entire $300 million senior notes balance and $340 million commercial paper program balance as long-term on our December 31, 2012 Consolidated Balance Sheet.

(2) Purchase commitments consist of obligations outstanding to external vendors primarily related to future capital purchases.

(3) Tax reserves are included in Other due to the difficulty in making reasonably reliable estimates of the timing of cash settlements to taxing authorities. See Note 12 to our accompanying consolidated financial statements.

At December 31, 2012, we had other commitments that we are contractually obligated to fulfill with cash if the obligations are called. These obligations include letters of credit and surety bonds that guarantee our performance as it relates to our drilling contracts, tax and other obligations in various jurisdictions. These letters of credit and surety bond obligations are not normally called, as we typically comply with the underlying performance requirement.

The following table summarizes our other commercial commitments at December 31, 2012 (in thousands):

			Amount of Commitment Expiration Per Period				
	Total	2013	2014	2015	2016	2017	Thereafter
Contractual Cash Obligations							
Letters of Credit	$ 47,652	$ 47,514	$	$ 138	$	$	$
Surety bonds	263,978	177,832	4,199	43,795	21,945	16,207	
Total commercial commitments	$ 311,630	$ 225,346	$ 4,199	$ 43,933	$ 21,945	$ 16,207	$

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are impacted by the accounting policies used and the estimates and assumptions made by management during their preparation. Critical accounting policies and estimates that most significantly impact our consolidated financial statements are described below.

Principles of Consolidation

The consolidated financial statements include our accounts, those of our wholly-owned subsidiaries and entities in which we hold a controlling financial interest. Our consolidated financial statements include the accounts of two joint ventures, in each of which we own a 50 percent interest. Our ownership interest meets the definition of variable interest under Financial Accounting Standards Board (FASB) codification and we have determined that we are the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation.

The combined joint venture carrying amount of the *Bully*-class drillships at December 31, 2012 totaled $1.4 billion, which was primarily funded through partner equity contributions. During 2012, these rigs commenced the operating phases of their contracts. Current year revenues and net income related to these joint ventures totaled $237 million and $71 million, respectively.

Table of Contents

Property and Equipment

Property and equipment is stated at cost, reduced by provisions to recognize economic impairment in value whenever events or changes in circumstances indicate an asset s carrying value may not be recoverable. At December 31, 2012 and 2011, we had $2.7 billion and $4.4 billion of construction-in-progress, respectively. Such amounts are included in Drilling equipment and facilities in the accompanying Consolidated Balance Sheets. Major replacements and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss is recognized. Drilling equipment and facilities are depreciated using the straight-line method over their estimated useful lives as of the date placed in service or date of major refurbishment. Estimated useful lives of our drilling equipment range from three to thirty years. Other property and equipment is depreciated using the straight-line method over useful lives ranging from two to twenty-five years.

Interest is capitalized on construction-in-progress at the interest rate on debt incurred for construction or at the weighted average cost of debt outstanding during the period of construction. Capitalized interest for the years ended December 31, 2012, 2011 and 2010 was $136 million, $122 million and $83 million, respectively.

Scheduled maintenance of equipment is performed based on the number of hours operated in accordance with our preventative maintenance program. Routine repair and maintenance costs are charged to expense as incurred; however, the costs of the overhauls and asset replacement projects that benefit future periods and which typically occur every three to five years are capitalized when incurred and depreciated over an equivalent period. These overhauls and asset replacement projects are included in Drilling equipment and facilities in the Consolidated Balance Sheets. Such amounts, net of accumulated depreciation, totaled $303 million and $233 million at December 31, 2012 and 2011, respectively. Depreciation expense related to overhauls and asset replacement totaled $113 million, $103 million and $102 million for the years ended December 31, 2012, 2011 and 2010, respectively.

We evaluate the realization of property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, on an annual basis, we complete an impairment analysis on all of our assets. An impairment loss on our property and equipment exists when the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any impairment loss recognized represents the excess of the asset s carrying value over the estimated fair value. As part of this analysis, we make assumptions and estimates regarding future market conditions. To the extent actual results do not meet or exceed our estimated assumptions, for a given rig class, we may take an impairment loss in the future.

During the current year we determined that our submersible rig fleet, consisting of two cold stacked rigs, was partially impaired due to the declining market outlook for drilling services for this rig type. We estimated the fair value of the rigs based on the salvage value of the rigs and a recent transaction involving a similar unit owned by a peer company (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $13 million for the year ended December 31, 2012. Also, during the current year, we determined that certain corporate assets were partially impaired due to a declining market for, and the potential disposal of, the assets. We estimated the fair value of the asset based on a signed letter of intent to sell the asset (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $7 million for the year ended December 31, 2012.

Insurance Reserves

We maintain various levels of self-insured retention for certain losses including property damage, loss of hire, employment practices liability, employers liability, and general liability, among others. We accrue for property damage and loss of hire charges on a per event basis.

Employment practices liability claims are accrued based on actual claims during the year. Maritime employer s liability claims are generally estimated using actuarial determinations. General liability claims are estimated by our internal claims department by evaluating the facts and circumstances of each claim (including incurred but not reported claims) and making estimates based upon historical experience with similar claims. At December 31, 2012 and 2011, loss reserves for personal injury and protection claims totaled $20 million and $21 million, respectively, and such amounts are included in Other current liabilities in the accompanying Consolidated Balance Sheets.

Revenue Recognition

Revenues generated from our dayrate-basis drilling contracts and labor contracts are recognized as services are performed. Revenues from bonuses are recognized when earned.

We may receive lump-sum fees for the mobilization of equipment and personnel. Mobilization fees received and costs incurred to mobilize a drilling unit from one market to another are recognized over the term of the related drilling contract. Absent a contract, the initial mobilization costs of newbuild rigs from the shipyard are deferred and amortized over the life of the rig. Subsequent costs incurred to relocate drilling units to more promising geographic areas in which a contract has not been secured are expensed as incurred. Lump-sum payments received from customers relating to specific contracts, including equipment modifications, are deferred and amortized to income over the term of the drilling contract. Upon completion of our drilling contracts, any demobilization revenues received are recognized as income, as are any related expenses.

Deferred revenues under drilling contracts totaled $252 million and $139 million at December 31, 2012 and 2011, respectively. Such amounts are included in either Other Current Liabilities or Other Liabilities in our Consolidated Balance Sheets, based upon our expected time of recognition.

We record reimbursements from customers for out-of-pocket expenses as revenues and the related direct cost as operating expenses.

Income Taxes

We operate through various subsidiaries in numerous countries throughout the world including the United States. Income taxes have been provided based on the laws and rates in effect in the countries in which operations are conducted or in which we or our subsidiaries are considered resident for income tax purposes. The income and withholding tax rates and methods of computing taxable income vary significantly for each jurisdiction. Consequently, we are subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the U.S., Switzerland or jurisdictions in which we or any of our subsidiaries operate or are resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the U.S. Internal Revenue Service (IRS) or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us, including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions. Our income tax expense is expected to fluctuate from year to year as our operations and income fluctuates in the different taxing jurisdictions.

We operate in a number of countries throughout the world and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. The IRS has completed its examination of our tax reporting for the taxable year ended December 31, 2008. The examination team has proposed adjustments with respect to certain items that were reported by us for the 2008 tax year. We believe that we have accurately reported all amounts included in our 2008 tax returns, and have filed protests with the IRS Appeals Office contesting the examination team s proposed adjustments, and we are still waiting on a final resolution of these issues. We intend to vigorously defend our reported positions. The IRS has begun its examination of our tax reporting for the taxable year ended December 31, 2009. We believe that we have accurately reported all amounts in our 2009 tax returns. During the third quarter of 2012, a U.S. subsidiary of Frontier concluded its audit with the IRS for its 2007 and 2008 tax returns, resulting in no change to income tax expense. Furthermore, we are currently contesting several non-U.S. tax assessments and may contest future assessments when we disagree with those assessments based on the technical merits of the positions established at the time of the filing of the tax return. We believe the ultimate resolution of the outstanding assessments, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements. We recognize uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained. We cannot predict or provide assurance as to the ultimate outcome of the existing or future assessments.

Our Mexican income tax returns have been examined for the 2002 through 2007 periods and audit claims have been assessed for approximately $321 million (including interest and penalties). During 2011, we received from the Regional Chamber of the Federal Tax Court adverse decisions with respect to approximately $6 million in assessments related to depreciation deductions, which we are appealing. We are also contesting all other assessments in Mexico. Tax authorities in Mexico and other jurisdictions may issue additional assessments or pursue legal actions as a result of tax audits and we cannot predict or provide assurance as to the ultimate outcome of such assessments and legal actions.

Additional audit claims of approximately $123 million attributable to income, customs and other business taxes have been assessed against us in other jurisdictions. We have contested, or intend to contest, these assessments, including through litigation if necessary, and we believe the ultimate resolution, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements.

Applicable income and withholding taxes have not been provided on undistributed earnings of our subsidiaries. We do not intend to repatriate such undistributed earnings except for distributions upon which incremental income and withholding taxes would not be material.

In certain jurisdictions we have recognized deferred tax assets and liabilities. Judgment and assumptions are required in determining whether deferred tax assets will be fully or partially utilized. When we estimate that all or some portion of certain deferred tax assets such as net operating loss carryforwards will not be utilized, we establish a valuation allowance for the amount ascertained to be unrealizable. We continually evaluate strategies that could allow for future utilization of our deferred assets. Any change in the ability to utilize such deferred assets will be accounted for in the period of the event affecting the valuation allowance. If facts and circumstances cause us to change our expectations regarding future tax consequences, the resulting adjustments could have a material effect on our financial results or cash flow.

In certain circumstances, we expect that, due to changing demands of the offshore drilling markets and the ability to redeploy our offshore drilling units, certain units will not reside in a location long enough to give rise to future tax consequences. As a result, no deferred tax asset or liability has been recognized in these circumstances. Should our expectations change regarding the length of time an offshore drilling unit will be used in a given location, we will adjust deferred taxes accordingly.

Certain Significant Estimates and Contingent Liabilities

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements. In addition, we are involved in several litigation matters, some of which could lead to potential liability to us. We follow FASB standards regarding contingent liabilities which are discussed in Part II Item 8. Financial Statements and Supplementary Data, Note 16-Commitments and Contingencies of our annual report on form 10-K.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, which amends FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures. This amended guidance clarifies the wording used to describe many of the requirements in accounting literature for measuring fair value and for disclosing information about fair value measurements. The goal of the amendment is to create consistency between the United States and international accounting standards. The guidance is effective for annual and interim reporting periods beginning on or after December 15, 2011. Our adoption of this guidance did not have a material impact on our financial condition, results of operations, cash flows or financial disclosures.

In June 2011, the FASB issued ASU No. 2011-05, which amends ASC Topic 220, Comprehensive Income. This ASU allows an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendment no longer allows an entity to show changes to other comprehensive income solely through the statement of equity. For publicly traded entities, the guidance is effective for annual and interim reporting periods beginning on or after December 15, 2011. In December 2011, the FASB issued ASU No. 2011-12, which defers only those changes in ASU 2011-05 that relate to the presentation of reclassification adjustments. Our adoption of this guidance did not have a material impact on our financial condition, results of operations, cash flows or financial disclosures.

Table of Contents

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the potential for loss due to a change in the value of a financial instrument as a result of fluctuations in interest rates, currency exchange rates or equity prices, as further described below.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on borrowings under the Credit Facilities and commercial paper program. Interest on borrowings under the Credit Facilities is at an agreed upon percentage point spread over LIBOR, or a base rate stated in the agreement. At December 31, 2012, we had $340 million in borrowings outstanding under our commercial paper program, which is supported by the Credit Facilities. Assuming our current level of debt, a change in LIBOR rates of 1 percent would increase our interest charges by approximately $3 million per year.

We maintain certain debt instruments at a fixed rate whose fair value will fluctuate based on changes in interest rates and market perceptions of our credit risk. The fair value of our total debt was $5.1 billion and $4.3 billion at December 31, 2012 and 2011, respectively. The increase was primarily a result of our issuance of $1.2 billion in debt in February 2012, partially offset by the net repayment of $635 million on our Credit Facilities coupled with changes in fair value related to changes in interest rates and market perceptions of our credit risk.

Foreign Currency Risk

Although we are a Swiss corporation, we define foreign currency as any non-U.S. denominated currency. Our functional currency is primarily the U.S. Dollar, which is consistent with the oil and gas industry. However, outside the United States, some of our expenses are incurred in local currencies. Therefore, when the U.S. Dollar weakens (strengthens) in relation to the currencies of the countries in which we operate, our expenses reported in U.S. Dollars will increase (decrease).

We are exposed to risks on future cash flows to the extent that local currency expenses exceed revenues denominated in local currency that are other than the functional currency. To help manage this potential risk, we periodically enter into derivative instruments to manage our exposure to fluctuations in currency exchange rates, and we may conduct hedging activities in future periods to mitigate such exposure. These contracts are primarily accounted for as cash flow hedges, with the effective portion of changes in the fair value of the hedge recorded on the Consolidated Balance Sheet and in Accumulated other comprehensive loss (AOCL). Amounts recorded in AOCL are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings. The ineffective portion of changes in the fair value of the hedged item is recorded directly to earnings. We have documented policies and procedures to monitor and control the use of derivative instruments. We do not engage in derivative transactions for speculative or trading purposes, nor are we a party to leveraged derivatives.

Our North Sea and Brazil operations have a significant amount of their cash operating expenses payable in local currencies. To limit the potential risk of currency fluctuations, we have historically maintained short-term forward contracts settling monthly in their respective local currencies. At December 31, 2012, we had no outstanding derivative contracts. At December 31, 2011, total unrealized loss related to forward contracts was $3 million, which was recorded as part of AOCL in our Consolidated Balance Sheet. Depending on market conditions, we may elect to utilize short-term forward currency contracts in the future.

Table of Contents

Market Risk

We sponsor the Noble Drilling Corporation 401(k) Savings Restoration Plan (Restoration Plan). The Restoration Plan is a nonqualified, unfunded employee benefit plan under which certain highly compensated employees may elect to defer compensation in excess of amounts deferrable under our 401(k) savings plan. The Restoration Plan has no assets, and amounts withheld for the Restoration Plan are kept by us for general corporate purposes. The investments selected by employees and the associated returns are tracked on a phantom basis. Accordingly, we have a liability to employees for amounts originally withheld plus phantom investment income or less phantom investment losses. We are at risk for phantom investment income and, conversely, benefit should phantom investment losses occur. At December 31, 2012, our liability under the Restoration Plan totaled $7 million. We have purchased investments that closely correlate to the investment elections made by participants in the Restoration Plan in order to mitigate the impact of the phantom investment income and losses on our consolidated financial statements. The value of these investments held for our benefit totaled $6 million at December 31, 2012. A 10 percent change in the fair value of the phantom investments would change our liability by approximately $0.6 million. Any change in the fair value of the phantom investments would be mitigated by a change in the investments held for our benefit.

We also have a U.S. noncontributory defined benefit pension plan that covers certain salaried employees and a U.S. noncontributory defined benefit pension plan that covers certain hourly employees, whose initial date of employment is prior to August 1, 2004 (collectively referred to as our qualified U.S. plans). These plans are governed by the Noble Drilling Corporation Retirement Trust (the Trust). The benefits from these plans are based primarily on years of service and, for the salaried plan, employees compensation near retirement. These plans are designed to qualify under the Employee Retirement Income Security Act of 1974 (ERISA), and our funding policy is consistent with funding requirements of ERISA and other applicable laws and regulations. We make cash contributions, or utilize credits available to us, for the qualified U.S. plans when required. The benefit amount that can be covered by the qualified U.S. plans is limited under ERISA and the Internal Revenue Code (IRC) of 1986. Therefore, we maintain an unfunded, nonqualified excess benefit plan designed to maintain benefits for all employees at the formula level in the qualified salary U.S. plan. We refer to the qualified U.S. plans and the excess benefit plan collectively as the U.S. plans .

In addition to the U.S. plans, each of Noble Drilling (Land Support) Limited, Noble Enterprises Limited and Noble Drilling (Nederland) B.V., all indirect, wholly-owned subsidiaries of Noble-Swiss, maintains a pension plan that covers all of its salaried, non-union employees (collectively referred to as our non-U.S. plans). Benefits are based on credited service and employees compensation near retirement, as defined by the plans.

Changes in market asset value related to the pension plans noted above could have a material impact upon our Consolidated Statements of Comprehensive Income and could result in material cash expenditures in future periods.

Table of Contents

Item 8. Financial Statements and Supplementary Data.

The following financial statements are filed in this Item 8:

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and

Shareholders of Noble Corporation, a Swiss Corporation (Noble-Swiss)

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, equity and cash flows present fairly, in all material respects, the financial position of Noble-Swiss and its subsidiaries at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Noble-Swiss management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on Noble-Swiss internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 25, 2013

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 282,092	$ 239,196
Accounts receivable	743,673	587,163
Taxes receivable	112,423	75,284
Prepaid expenses	43,962	35,796
Other current assets	123,175	122,173
Total current assets	1,305,325	1,059,612
Property and equipment		
Drilling equipment and facilities	16,777,013	15,243,861
Other	194,653	197,485
	16,971,666	15,441,346
Accumulated depreciation	(3,945,694)	(3,311,001)
	13,025,972	12,130,345
Other assets	276,477	305,202
Total assets	$ 14,607,774	$ 13,495,159
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 350,147	$ 436,006
Accrued payroll and related costs	132,728	117,907
Interest payable	68,436	54,419
Taxes payable	135,257	94,920
Dividends payable	66,369	
Other current liabilities	158,512	123,928
Total current liabilities	911,449	827,180
Long-term debt	4,634,375	4,071,964
Deferred income taxes	226,045	242,791
Other liabilities	347,615	255,372
Total liabilities	6,119,484	5,397,307
Commitments and contingencies		
Equity		
Shares; 253,348 shares and 252,639 shares outstanding	710,130	766,595
Treasury shares, at cost; 589 shares and 287 shares	(21,069)	(10,553)

Additional paid-in capital	83,531	48,356
Retained earnings	7,066,023	6,676,444
Accumulated other comprehensive loss	(115,449)	(74,321)
Total shareholders equity	7,723,166	7,406,521
Noncontrolling interests	765,124	691,331
Total equity	8,488,290	8,097,852
Total liabilities and equity	$ 14,607,774	$ 13,495,159

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Year Ended December 31,		
	2012	**2011**	**2010**
Operating revenues			
Contract drilling services	$ 3,349,362	$ 2,556,758	$ 2,695,493
Reimbursables	115,495	79,195	76,831
Labor contract drilling services	81,890	59,004	32,520
Other	265	875	2,332
	3,547,012	2,695,832	2,807,176
Operating costs and expenses			
Contract drilling services	1,776,481	1,384,200	1,177,800
Reimbursables	94,096	58,439	59,414
Labor contract drilling services	46,895	33,885	22,056
Depreciation and amortization	758,621	658,640	539,829
Selling, general and administrative	99,990	91,377	91,997
Loss on impairment	20,384		
Gain on contract settlements/extinguishments, net	(33,255)	(21,202)	
	2,763,212	2,205,339	1,891,096
Operating income	783,800	490,493	916,080
Other income (expense)			
Interest expense, net of amount capitalized	(85,763)	(55,727)	(9,457)
Interest income and other, net	5,188	1,484	9,886
Income before income taxes	703,225	436,250	916,509
Income tax provision	(147,088)	(72,625)	(143,077)
Net income	556,137	363,625	773,432
Net loss (income) attributable to noncontrolling interests	(33,793)	7,273	(3)
Net income attributable to Noble Corporation	$ 522,344	$ 370,898	$ 773,429
Net income per share attributable to Noble Corporation			
Basic	$ 2.05	$ 1.46	$ 3.03
Diluted	2.05	1.46	3.02
Weighted-Average Shares Outstanding:			
Basic	252,435	251,405	253,123
Diluted	252,791	251,989	253,936

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended December 31,		
	2012	**2011**	**2010**
Net income	$ 556,137	$ 363,625	$ 773,432
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(8,076)	(2,566)	2,456
Gain (loss) on foreign currency forward contracts	3,061	(4,665)	1,187
Gain (loss) on interest rate swaps		(366)	366
Net pension plan loss (net of a tax benefit of $3,777 in 2012, $12,845 in 2011 and $2,888 in 2010)	(41,658)	(18,551)	(1,898)
Amortization of deferred pension plan amounts (net of tax provision of $2,841 in 2012, $1,146 in 2011 and $1,286 in 2010)	5,545	2,047	2,550
Other comprehensive income (loss), net	(41,128)	(24,101)	4,661
Total comprehensive income	515,009	339,524	778,093
Less: Loss (income) attributable to noncontrolling interests	(33,793)	7,273	(3)
Less: Noncontrolling portion of gain (loss) on interest rate swaps		183	(183)
Comprehensive income attributable to Noble Corporation	$ 481,216	$ 346,980	$ 777,907

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31, 2012	2011	2010
Cash flows from operating activities			
Net income	$ 556,137	$ 363,625	$ 773,432
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	758,621	658,640	539,829
Loss on impairment	20,384		
Gain on contract extinguishments, net		(21,202)	
Deferred income taxes	(20,119)	(82,325)	(41,409)
Amortization of share-based compensation	35,930	31,904	34,930
Net change in other assets and liabilities	30,740	(210,402)	330,120
Net cash from operating activities	1,381,693	740,240	1,636,902
Cash flows from investing activities			
Capital expenditures	(1,669,811)	(2,621,235)	(1,406,010)
Change in accrued capital expenditures	(121,077)	81,047	139,185
Refund from contract extinguishments		18,642	
Acquisition of FDR Holdings, Ltd., net of cash acquired			(1,629,644)
Net cash from investing activities	(1,790,888)	(2,521,546)	(2,896,469)
Cash flows from financing activities			
Net change in borrowings on bank credit facilities	(635,192)	935,000	40,000
Proceeds from issuance of senior notes, net of debt issuance costs	1,186,636	1,087,833	1,238,074
Contributions from joint venture partners	40,000	536,000	35,000
Payments of joint venture debt		(693,494)	
Settlement of interest rate swaps		(29,032)	(6,186)
Financing costs on credit facilities	(5,221)	(2,835)	
Proceeds from employee stock transactions	14,677	9,924	11,828
Repurchases of employee shares surrendered for taxes	(10,516)	(10,233)	(10,116)
Par value reduction/dividend payments	(138,293)	(150,532)	(227,325)
Repurchases of shares			(219,330)
Net cash from financing activities	452,091	1,682,631	861,945
Net change in cash and cash equivalents	42,896	(98,675)	(397,622)
Cash and cash equivalents, beginning of period	239,196	337,871	735,493
Cash and cash equivalents, end of period	**$ 282,092**	**$ 239,196**	**$ 337,871**

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(In thousands)

	Shares Balance	Shares Par Value	Capital in Excess of Par Value	Retained Earnings	Treasury Shares	Noncontrolling Interests	Accumulated Other Comprehensive Loss	Total Equity
Balance at January 1, 2010	**261,975**	**$ 1,130,607**	**$**	**$ 5,855,737**	**$ (143,031)**	**$**	**$ (54,881)**	**$ 6,788,432**
Employee related equity activity								
Amortization of share-based compensation			34,930					34,930
Issuance of share-based compensation shares	86	343	(117)					226
Exercise of stock options	538	2,119	9,483					11,602
Tax benefit of stock options exercised			6,494					6,494
Restricted shares forfeited or repurchased for taxes	(184)	(809)	965	1,334	(11,606)			(10,116)
Repurchases of shares					(219,330)			(219,330)
Net income				773,429		3		773,432
Par value reduction/dividend payments		(214,576)	(12,749)					(227,325)
Noncontrolling interests from FDR Holdings, Ltd. acquisition						124,628		124,628
Other comprehensive income, net							4,661	4,661
Balance at December 31, 2010	**262,415**	**$ 917,684**	**$ 39,006**	**$ 6,630,500**	**$ (373,967)**	**$ 124,631**	**$ (50,220)**	**$ 7,287,634**
Employee related equity activity								
Amortization of share-based compensation			31,904					31,904
Issuance of share-based compensation shares	252	848	(838)					10
Exercise of stock options	501	1,661	7,303					8,964
Tax benefit of stock options exercised			950					950
Restricted shares forfeited or repurchased for taxes	(413)	(1,401)	1,401		(10,233)			(10,233)
Retirement of treasury shares	(10,116)	(33,035)		(340,612)	373,647			
Settlement of FIN 48 provision				15,658				15,658
Net income				370,898		(7,273)		363,625
Equity contribution by joint venture partner						573,973		573,973
Par value reduction payments		(119,162)	(31,370)					(150,532)
Other comprehensive loss, net							(24,101)	(24,101)
Balance at December 31, 2011	**252,639**	**$ 766,595**	**$ 48,356**	**$ 6,676,444**	**$ (10,553)**	**$ 691,331**	**$ (74,321)**	**$ 8,097,852**
Employee related equity activity								
Amortization of share-based compensation			35,930					35,930
Issuance of share-based compensation shares	437	1,307	(1,299)					8
Exercise of stock options	646	1,836	11,705					13,541
Tax benefit of stock options exercised			1,128					1,128
Restricted shares forfeited or repurchased for taxes	(374)	(1,138)	1,138		(10,516)			(10,516)
Net income				522,344		33,793		556,137
Equity contribution by joint venture partner						40,000		40,000

Par value reduction/dividend payments		(58,470)	(13,427)	(66,396)				(138,293)
Dividends payable				(66,369)				(66,369)
Other comprehensive loss, net							(41,128)	(41,128)
Balance at December 31, 2012	**253,348**	**$ 710,130**	**$ 83,531**	**$ 7,066,023**	**$ (21,069)**	**$ 765,124**	**$ (115,449)**	**$ 8,488,290**

See accompanying notes to the consolidated financial statements.

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Board of Directors and

Shareholder of Noble Corporation, a Cayman Islands Company (Noble-Cayman)

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, equity and cash flows present fairly, in all material respects, the financial position of Noble-Cayman and its subsidiaries at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Noble-Cayman management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on Noble-Cayman internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 25, 2013

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(In thousands)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 277,375	$ 235,056
Accounts receivable	743,673	587,163
Taxes receivable	112,310	75,284
Prepaid expenses	41,232	33,105
Other current assets	122,649	120,109
Total current assets	1,297,239	1,050,717
Property and equipment		
Drilling equipment and facilities	16,776,208	15,243,861
Other	158,939	163,301
	16,935,147	15,407,162
Accumulated depreciation	(3,938,518)	(3,305,757)
	12,996,629	12,101,405
Other assets	276,558	305,283
Total assets	$ 14,570,426	$ 13,457,405
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 349,594	$ 435,729
Accrued payroll and related costs	123,936	108,908
Taxes payable	130,844	91,190
Interest payable	68,436	54,419
Other current liabilities	158,499	123,399
Total current liabilities	831,309	813,645
Long-term debt	4,634,375	4,071,964
Deferred income taxes	226,045	242,791
Other liabilities	347,615	255,372
Total liabilities	6,039,344	5,383,772
Commitments and contingencies		
Equity		
Ordinary shares; 261,246 shares outstanding	26,125	26,125
Capital in excess of par value	470,454	450,616
Retained earnings	7,384,828	6,979,882

Accumulated other comprehensive loss	(115,449)	(74,321)
Total shareholder equity	7,765,958	7,382,302
Noncontrolling interests	765,124	691,331
Total equity	8,531,082	8,073,633
Total liabilities and equity	$ 14,570,426	$ 13,457,405

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Year Ended December 31, 2012	2011	2010
Operating revenues			
Contract drilling services	$ 3,349,362	$ 2,556,758	$ 2,695,493
Reimbursables	115,495	79,195	76,831
Labor contract drilling services	81,890	59,004	32,520
Other	265	875	2,332
	3,547,012	2,695,832	2,807,176
Operating costs and expenses			
Contract drilling services	1,760,965	1,371,415	1,172,801
Reimbursables	94,096	58,439	59,414
Labor contract drilling services	46,895	33,885	22,056
Depreciation and amortization	756,689	657,205	539,004
Selling, general and administrative	59,366	56,787	55,568
Loss on impairment	20,384		
Gain on contract settlements/extinguishments, net	(33,255)	(21,202)	
	2,705,140	2,156,529	1,848,843
Operating income	841,872	539,303	958,333
Other income (expense)			
Interest expense, net of amount capitalized	(85,763)	(55,727)	(9,457)
Interest income and other, net	4,695	2,480	8,527
Income before income taxes	760,804	486,056	957,403
Income tax provision	(146,088)	(71,286)	(141,866)
Net income	614,716	414,770	815,537
Net loss (income) attributable to noncontrolling interests	(33,793)	7,273	(3)
Net income attributable to Noble Corporation	$ 580,923	$ 422,043	$ 815,534

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended December 31,		
	2012	**2011**	**2010**
Net income	$ 614,716	$ 414,770	$ 815,537
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(8,076)	(2,566)	2,456
Gain (loss) on foreign currency forward contracts	3,061	(4,665)	1,187
Gain (loss) on interest rate swaps		(366)	366
Net pension plan loss (net of a tax benefit of $3,777 in 2012, $12,845 in 2011 and $2,888 in 2010)	(41,658)	(18,551)	(1,898)
Amortization of deferred pension plan amounts (net of tax provision of $2,841 in 2012, $1,146 in 2011 and $1,286 in 2010)	5,545	2,047	2,550
Other comprehensive income (loss), net	(41,128)	(24,101)	4,661
Total comprehensive income	573,588	390,669	820,198
Less: Loss (income) attributable to noncontrolling interests	(33,793)	7,273	(3)
Less: Noncontrolling portion of gain (loss) on interest rate swaps		183	(183)
Comprehensive income attributable to Noble Corporation	$ 539,795	$ 398,125	$ 820,012

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year ended December 31, 2012	2011	2010
Cash flows from operating activities			
Net income	$ 614,716	$ 414,770	$ 815,537
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	756,689	657,205	539,004
Loss on impairment	20,384		
Gain on contract extinguishments, net		(21,202)	
Deferred income taxes	(20,119)	(82,325)	(41,409)
Capital contribution by parent share-based compensation	19,838	18,726	20,604
Net change in other assets and liabilities	29,119	(216,687)	325,157
Net cash from operating activities	1,420,627	770,487	1,658,893
Cash flows from investing activities			
Capital expenditures	(1,667,477)	(2,615,943)	(1,405,181)
Change in accrued capital expenditures	(121,077)	81,047	139,185
Refund from contract extinguishments		18,642	
Acquisition of FDR Holdings, Ltd., net of cash acquired			(1,629,644)
Net cash from investing activities	(1,788,554)	(2,516,254)	(2,895,640)
Cash flows from financing activities			
Net change in borrowings on bank credit facilities	(635,192)	935,000	40,000
Proceeds from issuance of senior notes, net of debt issuance costs	1,186,636	1,087,833	1,238,074
Contributions from joint venture partner	40,000	536,000	35,000
Payments of joint venture debt		(693,494)	
Settlement of interest rate swaps		(29,032)	(6,186)
Financing costs on credit facilities	(5,221)	(2,835)	
Distributions to parent company, net	(175,977)	(186,048)	(462,967)
Net cash from financing activities	410,246	1,647,424	843,921
Net change in cash and cash equivalents	42,319	(98,343)	(392,826)
Cash and cash equivalents, beginning of period	235,056	333,399	726,225
Cash and cash equivalents, end of period	**$ 277,375**	**$ 235,056**	**$ 333,399**

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(In thousands)

	Shares Balance	Shares Par Value	Capital in Excess of Par Value	Retained Earnings	Noncontrolling Interests	Accumulated Other Comprehensive Loss	Total Equity
Balance at January 1, 2010	**261,246**	**$ 26,125**	**$ 395,628**	**$ 6,391,320**	**$**	**$ (54,881)**	**$ 6,758,192**
Distributions to parent				(462,967)			(462,967)
Capital contributions by parent-Share-based compensation			20,604				20,604
Net income				815,534	3		815,537
Noncontrolling interests from FDR Holdings, Ltd. acquisition					124,628		124,628
Other comprehensive income, net						4,661	4,661
Balance at December 31, 2010	**261,246**	**$ 26,125**	**$ 416,232**	**$ 6,743,887**	**$ 124,631**	**$ (50,220)**	**$ 7,260,655**
Distributions to parent				(186,048)			(186,048)
Capital contributions by parent-Share-based compensation			18,726				18,726
Net income				422,043	(7,273)		414,770
Settlement of FIN 48 provision			15,658				15,658
Noncontrolling interest contributions					573,973		573,973
Other comprehensive loss, net						(24,101)	(24,101)
Balance at December 31, 2011	**261,246**	**$ 26,125**	**$ 450,616**	**$ 6,979,882**	**$ 691,331**	**$ (74,321)**	**$ 8,073,633**
Distributions to parent				(175,977)			(175,977)
Capital contributions by parent-Share-based compensation			19,838				19,838
Net income				580,923	33,793		614,716
Noncontrolling interest contributions					40,000		40,000
Other comprehensive loss, net						(41,128)	(41,128)
Balance at December 31, 2012	**261,246**	**$ 26,125**	**$ 470,454**	**$ 7,384,828**	**$ 765,124**	**$ (115,449)**	**$ 8,531,082**

See accompanying notes to the consolidated financial statements.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 1 Organization and Significant Accounting Policies

Organization and Business

Noble Corporation, a Swiss corporation (Noble-Swiss), is a leading offshore drilling contractor for the oil and gas industry. We perform contract drilling services with our fleet of 79 mobile offshore drilling units located worldwide. We also own one floating production storage and offloading unit. Our fleet consists of 14 semisubmersibles, 14 drillships, 49 jackups and two submersibles, including 11 units under construction as follows:

- five dynamically positioned, ultra-deepwater, harsh environment drillships and
- six high-specification, heavy-duty, harsh environment jackups.

As of February 7, 2013, approximately 85 percent of our fleet was located outside the United States in the following areas: Mexico, Brazil, the North Sea, the Mediterranean, West Africa, the Middle East, India and Australia. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921.

Noble Corporation, a Cayman Islands company (Noble-Cayman) is a direct, wholly-owned subsidiary of Noble-Swiss, our publicly-traded parent company. Noble-Swiss principal asset is all of the shares of Noble-Cayman. Noble-Cayman has no public equity outstanding. The consolidated financial statements of Noble-Swiss include the accounts of Noble-Cayman, and Noble-Swiss conducts substantially all of its business through Noble-Cayman and its subsidiaries.

Principles of Consolidation

The consolidated financial statements include our accounts, those of our wholly-owned subsidiaries and entities in which we hold a controlling financial interest. Our consolidated financial statements include the accounts of two joint ventures, in each of which we own a 50 percent interest. Our ownership interest meets the definition of variable interest under Financial Accounting Standards Board (FASB) codification and we have determined that we are the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency Translation

Although we are a Swiss corporation, we define foreign currency as any non-U.S. denominated currency. In non-U.S. locations where the U.S. Dollar has been designated as the functional currency (based on an evaluation of factors including the markets in which the subsidiary operates, inflation, generation of cash flow, financing activities and intercompany arrangements), local currency transaction gains and losses are included in net income. In non-U.S. locations where the local currency is the functional currency, assets and liabilities are translated at the rates of exchange on the balance sheet date, while income statement items are translated at average rates of exchange during the year. The resulting gains or losses arising from the translation of accounts from the functional currency to the U.S. Dollar are included in Accumulated other comprehensive loss in the Consolidated Balance Sheets. We did not recognize any material gains or losses on foreign currency transactions or translations during the three years ended December 31, 2012.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and all highly liquid investments with original maturities of three months or less. Our cash, cash equivalents and short-term investments are subject to potential credit risk, and certain of our cash accounts carry balances greater than the federally insured limits. Cash and cash equivalents are primarily held by major banks or investment firms. Our cash management and investment policies restrict investments to lower risk, highly liquid securities and we perform periodic evaluations of the relative credit standing of the financial institutions with which we conduct business.

Cash flows from our labor contract drilling services in Canada are calculated based on the Canadian Dollar. As a result, amounts related to assets and liabilities reported on the Consolidated Statements of Cash Flows will not necessarily agree with changes in the corresponding balances on the Consolidated Balance Sheets. The effect of exchange rate changes on cash balances held in foreign currencies was not material for all periods presented.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Property and Equipment

Property and equipment is stated at cost, reduced by provisions to recognize economic impairment in value whenever events or changes in circumstances indicate an asset s carrying value may not be recoverable. At December 31, 2012 and 2011, there was $2.7 billion and $4.4 billion of construction-in-progress, respectively. Such amounts are included in Drilling equipment and facilities in the accompanying Consolidated Balance Sheets. Major replacements and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss is recognized. Drilling equipment and facilities are depreciated using the straight-line method over their estimated useful lives as of the date placed in service or date of major refurbishment. Estimated useful lives of our drilling equipment range from three to thirty years. Other property and equipment is depreciated using the straight-line method over useful lives ranging from two to twenty-five years. Included in accounts payable was $141 million and $256 million of capital accruals as of December 31, 2012 and 2011, respectively.

Interest is capitalized on construction-in-progress at the interest rate on debt incurred for construction or at the weighted average cost of debt outstanding during the period of construction. Capitalized interest for the years ended December 31, 2012, 2011 and 2010 was $136 million, $122 million and $83 million, respectively.

Scheduled maintenance of equipment is performed based on the number of hours operated in accordance with our preventative maintenance program. Routine repair and maintenance costs are charged to expense as incurred; however, the costs of the overhauls and asset replacement projects that benefit future periods and which typically occur every three to five years are capitalized when incurred and depreciated over an equivalent period. These overhauls and asset replacement projects are included in Drilling equipment and facilities in the Consolidated Balance Sheets. Such amounts, net of accumulated depreciation, totaled $303 million and $233 million at December 31, 2012 and 2011, respectively. Depreciation expense related to overhauls and asset replacement totaled $113 million, $103 million and $102 million for the years ended December 31, 2012, 2011 and 2010, respectively.

We evaluate the realization of property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, on an annual basis, we complete an impairment analysis on all of our assets. An impairment loss on our property and equipment exists when the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any impairment loss recognized represents the excess of the asset s carrying value over the estimated fair value. As part of this analysis, we make assumptions and estimates regarding future market conditions. To the extent actual results do not meet or exceed our estimated assumptions, for a given rig class, we may take an impairment loss in the future.

During the current year we determined that our submersible rig fleet, consisting of two cold stacked rigs, was partially impaired due to the declining market outlook for drilling services for this rig type. We estimated the fair value of the rigs based on the salvage value of the rigs and a recent transaction involving a similar unit owned by a peer company (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $13 million for the year ended December 31, 2012. Also, during the current year, we determined that certain corporate assets were partially impaired due to a declining market for, and the potential disposal of, the assets. We estimated the fair value of the assets based on a signed letter of intent to sell the assets (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $7 million for the year ended December 31, 2012.

Deferred Costs

Deferred debt issuance costs are being amortized through interest expense over the life of the debt securities.

Insurance Reserves

We maintain various levels of self-insured retention for certain losses including property damage, loss of hire, employment practices liability, employers liability, and general liability, among others. We accrue for property damage and loss of hire charges on a per event basis.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Employment practices liability claims are accrued based on actual claims during the year. Maritime employer s liability claims are generally estimated using actuarial determinations. General liability claims are estimated by our internal claims department by evaluating the facts and circumstances of each claim (including incurred but not reported claims) and making estimates based upon historical experience with similar claims. At December 31, 2012 and 2011, loss reserves for personal injury and protection claims totaled $20 million and $21 million, respectively, and such amounts are included in Other current liabilities in the accompanying Consolidated Balance Sheets.

Revenue Recognition

Revenues generated from our dayrate-basis drilling contracts and labor contracts are recognized as services are performed. Revenues from bonuses are recognized when earned.

We may receive lump-sum fees for the mobilization of equipment and personnel. Mobilization fees received and costs incurred to mobilize a drilling unit from one market to another are recognized over the term of the related drilling contract. Absent a contract, the initial mobilization costs of newbuild rigs from the shipyard are deferred and amortized over the life of the rig. Subsequent costs incurred to relocate drilling units to more promising geographic areas in which a contract has not been secured are expensed as incurred. Lump-sum payments received from customers relating to specific contracts, including equipment modifications, are deferred and amortized to income over the term of the drilling contract. Upon completion of our drilling contracts, any demobilization revenues received are recognized as income, as are any related expenses.

Deferred revenues under drilling contracts totaled $252 million at December 31, 2012 as compared to $139 million at December 31, 2011. Such amounts are included in either Other Current Liabilities or Other Liabilities in our Consolidated Balance Sheets, based upon our expected time of recognition.

We record reimbursements from customers for out-of-pocket expenses as revenues and the related direct cost as operating expenses.

Income Taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which we or our subsidiaries are considered resident for income tax purposes. Applicable income and withholding taxes have not been provided on undistributed earnings of our subsidiaries. We do not intend to repatriate such undistributed earnings except for distributions upon which incremental income and withholding taxes would not be material. In certain circumstances, we expect that, due to changing demands of the offshore drilling markets and the ability to redeploy our offshore drilling units, certain of such units will not reside in a location long enough to give rise to future tax consequences. As a result, no deferred tax asset or liability has been recognized in these circumstances. Should our expectations change regarding the length of time an offshore drilling unit will be used in a given location, we will adjust deferred taxes accordingly.

We operate through various subsidiaries in numerous countries throughout the world including the United States. Consequently, we are subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the U.S., Switzerland or jurisdictions in which we or any of our subsidiaries operate or are resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the U.S. Internal Revenue Service (IRS) or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions.

Net Income per Share

Our unvested share-based payment awards, which contain non-forfeitable rights to dividends, are participating securities and are included in the computation of earnings per share pursuant to the two-class method. The two-class method allocates undistributed earnings between common shares and participating securities. The diluted earnings per share calculation under the two-class method also includes the dilutive effect of potential shares issued in connection with stock options. The dilutive effect of stock options is determined using the treasury stock method.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Share-Based Compensation Plans

We record the grant date fair value of share-based compensation arrangements as compensation cost using a straight-line method over the service period. Share-based compensation is expensed or capitalized based on the nature of the employee s activities.

Certain Significant Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements.

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current year presentation. In connection with a review of the Other Assets caption in our financial statements, we determined that drilling equipment replacements and upgrades should be included in Property and equipment . As a result, we reclassified these amounts in our Consolidated Balance Sheet for the year ended December 31, 2011. We believe these reclassifications are immaterial as they do not have a material impact on our financial position, results of operations or cash flows.

Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-04, which amends FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures. This amended guidance clarifies the wording used to describe many of the requirements in accounting literature for measuring fair value and for disclosing information about fair value measurements. The goal of the amendment is to create consistency between the United States and international accounting standards. The guidance is effective for annual and interim reporting periods beginning on or after December 15, 2011. Our adoption of this guidance did not have a material impact on our financial condition, results of operations, cash flows or financial disclosures.

In June 2011, the FASB issued ASU No. 2011-05, which amends ASC Topic 220, Comprehensive Income. This ASU allows an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendment no longer allows an entity to show changes to other comprehensive income solely through the statement of equity. For publicly traded entities, the guidance is effective for annual and interim reporting periods beginning on or after December 15, 2011. In December 2011, the FASB issued ASU No. 2011-12, which defers only those changes in ASU 2011-05 that relate to the presentation of reclassification adjustments. Our adoption of this guidance did not have a material impact on our financial condition, results of operations, cash flows or financial disclosures.

Note 2 Acquisition of FDR Holdings Limited

On July 28, 2010, Noble-Swiss and Noble AM Merger Co., a Cayman Islands company and indirect wholly-owned subsidiary of Noble-Swiss (Merger Sub), completed the acquisition of FDR Holdings Limited, a Cayman Islands company (Frontier). Under the terms of the Agreement and Plan of Merger with Frontier and certain of Frontier s shareholders, Merger Sub merged with and into Frontier, with Frontier surviving as an indirect wholly-owned subsidiary of Noble-Swiss and a wholly-owned subsidiary of Noble-Cayman. The Frontier acquisition was for a purchase price of approximately $1.7 billion in cash plus liabilities assumed and strategically expanded and enhanced our global fleet. Frontier s results of operations were included in our results beginning July 28, 2010. We funded the cash consideration paid at closing using proceeds from our July 2010 offering of senior notes and existing cash on hand.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The pro forma financial information for the year ended December 31, 2010 includes pro forma results for the period prior to the closing date of July 28, 2010 and actual results for the period from July 28, 2010 through December 31, 2010. The pro forma results are based on historical data and are not intended to be indicative of the results of future operations.

	2010
Total operating revenues	$ 2,985,439
Net income to Noble Corporation	716,875
Net income per share (Diluted)	$ 2.80

Revenues and operating expenses from the Frontier rigs totaled $147 million and $98 million, respectively, from the closing date of July 28, 2010 through December 31, 2010.

Consolidated joint ventures

In connection with the Frontier acquisition, we acquired Frontier s 50 percent interest in two joint ventures, each with a subsidiary of Shell, for the construction and operation of the two *Bully*-class drillships. We have determined that we are the primary beneficiary. Accordingly, we consolidate the entities in our consolidated financial statements after eliminating intercompany transactions. Shell s equity interests are presented as noncontrolling interests on our Consolidated Balance Sheets.

In the first quarter of 2011, the joint venture credit facilities, which had a combined outstanding balance of $693 million, were repaid in full through contributions to the joint ventures from Noble and Shell. Shell contributed $361 million in equity to fund their portion of the repayment of joint venture credit facilities and related interest rate swaps, which were settled concurrently with the repayment and termination of the joint venture credit facilities.

In January 2011, the Bully joint ventures issued notes to the joint venture partners totaling $70 million. The interest rate on these notes was 10%, payable semi-annually in arrears and in kind on June 30 and December 31 commencing in June 2011. The purpose of these notes was to provide additional liquidity to the joint ventures in connection with the shipyard construction of the *Bully* vessels.

In April 2011, the Bully joint venture partners entered into a subscription agreement, pursuant to which each partner was issued equity in each of the Bully joint ventures in exchange for the cancellation of all outstanding joint venture partner notes. The subscription agreement converted all joint venture partner notes into equity of the respective joint venture. The total capital contributed as a result of these agreements was $146 million, which included $142 million in outstanding notes, plus accrued interest. Our portion of the capital contribution, totaling $73 million, was eliminated in consolidation.

In April 2011, the Bully joint venture partners also entered into capital contribution agreements whereby capital calls up to a total of $360 million can be made for funds needed to complete the projects. All contributions under these agreements were made during 2011 and the first quarter of 2012. No amounts remain available under these agreements.

The combined carrying amount of the *Bully*-class drillships at both December 31, 2012 and 2011 totaled $1.4 billion. These assets were primarily funded through partner equity contributions. During 2012, these rigs commenced the operating phases of their contracts. Current year revenues and net income related to these joint ventures totaled $237 million and $71 million, respectively.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 3- Earnings per Share

The following table sets forth the computation of basic and diluted net income per share for Noble-Swiss:

	Year Ended December 31,		
	2012	**2011**	**2010**
Allocation of income from continuing operations			
Basic			
Net income attributable to Noble Corporation	$ 522,344	$ 370,898	$ 773,429
Earnings allocated to unvested share-based payment awards	(5,309)	(3,727)	(7,497)
Net income to common shareholders basic	$ 517,035	$ 367,171	$ 765,932
Diluted			
Net income attributable to Noble Corporation	$ 522,344	$ 370,898	$ 773,429
Earnings allocated to unvested share-based payment awards	(5,302)	(3,719)	(7,481)
Net income to common shareholders diluted	$ 517,042	$ 367,179	$ 765,948
Weighted average shares outstanding basic	252,435	251,405	253,123
Incremental shares issuable from assumed exercise of stock options	356	584	813
Weighted average shares outstanding diluted	252,791	251,989	253,936
Weighted average unvested share-based payment awards	2,592	2,552	2,438
Earnings per share			
Basic	$ 2.05	$ 1.46	$ 3.03
Diluted	$ 2.05	$ 1.46	$ 3.02

Only those items having a dilutive impact on our basic net income per share are included in diluted net income per share. For the years ended December 31, 2012, 2011 and 2010, stock options totaling 1.2 million, 1.1 million and 0.8 million, respectively, were excluded from the diluted net income per share calculation as they were not dilutive.

Note 4- Marketable Securities

Marketable Equity Securities

We have investments that closely correlate to the investment elections made by participants in the Noble Drilling Corporation 401(k) Savings Restoration Plan (Restoration Plan) in order to mitigate the impact of the investment income and losses from the Restoration Plan on our consolidated financial statements. The value of these investments held for our benefit totaled $6 million and $5 million at December 31, 2012 and 2011, respectively. These assets were classified as trading securities and carried at fair value in Other current assets with the realized and unrealized gain or loss included in Other income in the accompanying Consolidated Statements of Income. We recognized a gain of $0.6 million during 2012, a loss of $0.4 million during 2011 and a gain of $0.7 million during 2010.

Note 5- Receivables from Customers

At December 31, 2012, we had receivables of approximately $14 million related to the *Noble Max Smith*, which are being disputed by our customer, Pemex Exploracion y Produccion (Pemex). These receivables have been classified as long-term and are included in Other assets on our Consolidated Balance Sheet. The disputed amount relates to lost revenues for downtime that occurred after our rig was damaged when one of Pemex s supply boats collided with our rig in 2010. In January 2012, we filed a lawsuit against Pemex in Mexican court seeking recovery of these amounts. While we can make no assurances as to the outcome of this dispute, we believe we are entitled to the disputed amounts.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 6- Property and Equipment

Property and equipment, at cost, as of December 31, 2012 and 2011, consisted of the following:

	2012	2011
Drilling equipment and facilities	$ 14,099,628	$ 10,876,111
Construction in progress	2,677,385	4,367,750
Other	194,653	197,485
	$ 16,971,666	$ 15,441,346

Capital expenditures, including capitalized interest, totaled $1.7 billion and $2.6 billion for the years ended December 31, 2012 and 2011, respectively. Capital expenditures for 2012 consisted of the following:

- $587 million for newbuild construction;
- $693 million for major projects, including subsea-related expenditures;
- $254 million for other capitalized expenditures, including upgrades and replacements to drilling equipment, that generally have a useful life ranging from 3 to 5 years; and
- $136 million in capitalized interest.

Interest is capitalized on construction-in-progress at the weighted average cost of debt outstanding during the period of construction.

Note 7- Debt

Long-term debt consists of the following at December 31, 2012 and 2011:

	December 31, 2012	December 31, 2011
Wholly-owned debt instruments:		
5.875% Senior Notes due 2013	$ 299,985	$ 299,949
7.375% Senior Notes due 2014	249,799	249,647
3.45% Senior Notes due 2015	350,000	350,000

3.05% Senior Notes due 2016	299,952	299,938
2.50% Senior Notes due 2017	299,852	
7.50% Senior Notes due 2019	201,695	201,695
4.90% Senior Notes due 2020	498,900	498,783
4.625% Senior Notes due 2021	399,527	399,480
3.95% Senior Notes due 2022	399,095	
6.20% Senior Notes due 2040	399,891	399,890
6.05% Senior Notes due 2041	397,613	397,582
5.25% Senior Notes due 2042	498,257	
Credit facilities		975,000
Commercial paper program	339,809	
Total long-term debt	$ 4,634,375	$ 4,071,964

64

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Credit Facilities and Commercial Paper Program

Noble currently has a maximum available capacity of $800 million on our credit facility maturing in 2015 and $1.5 billion on our credit facility maturing in 2017 (together referred to as the Credit Facilities). Our total debt related to the Credit Facilities and our commercial paper program was $340 million at December 31, 2012 as compared to $975 million at December 31, 2011. During 2012, we undertook a series of transactions that increased our liquidity. The following summarizes the recent activity regarding our Credit Facilities:

- in June 2012, we replaced our $575 million credit facility scheduled to mature in 2013, with a new $1.2 billion credit facility, which matures in 2017;

- in September 2012, we established a commercial paper program, which will allow us to issue up to $1.8 billion in unsecured commercial paper notes. Amounts issued under the commercial paper program are supported by the unused committed capacity under our Credit Facilities and, as such, are classified as long-term on our Consolidated Balance Sheet; and

- in January 2013, we increased the maximum amount available under our Credit Facilities from $1.8 billion to $2.3 billion. The maximum amount available under our credit facility maturing in 2015 was increased from $600 million to $800 million and the maximum amount available under our credit facility maturing in 2017 was increased from $1.2 billion to $1.5 billion.

The Credit Facilities provide us with the ability to issue up to $375 million in letters of credit in the aggregate. The issuance of letters of credit does not increase our borrowings outstanding under the Credit Facilities, but it does reduce the amount available. At December 31, 2012, we had no letters of credit issued under the Credit Facilities.

Senior Unsecured Notes

Our total debt related to senior unsecured notes was $4.3 billion at December 31, 2012 as compared to $3.1 billion at December 31, 2011. The increase in debt is a result of the issuance of $1.2 billion aggregate principal amount of senior notes in February 2012, which we issued through our indirect wholly-owned subsidiary, Noble Holding International Limited (NHIL). These senior notes were issued in three separate tranches, with $300 million of 2.50% Senior Notes due 2017, $400 million of 3.95% Senior Notes due 2022, and $500 million of 5.25% Senior Notes due 2042. The weighted average coupon of all three tranches is 4.13%. The net proceeds of approximately $1.19 billion, after expenses, were primarily used to repay the then outstanding balance on our Credit Facilities.

In February 2011, we issued, through NHIL, $1.1 billion aggregate principal amount of senior notes in three separate tranches, comprising $300 million of 3.05% Senior Notes due 2016, $400 million of 4.625% Senior Notes due 2021, and $400 million of 6.05% Senior Notes due 2041. The weighted average coupon of all three tranches is 4.71%. A portion of the net proceeds of approximately $1.09 billion, after expenses, was used to repay the then outstanding balance on our revolving credit facility and to repay our portion of outstanding debt under the joint venture credit facilities discussed below.

Our 5.875% Senior Notes mature during the second quarter of 2013. We anticipate using availability under our Credit Facilities or commercial paper program to repay the outstanding balance; therefore, we continue to report the balance as long-term at December 31, 2012.

Covenants

The Credit Facilities are guaranteed by our indirect wholly-owned subsidiaries, NHIL and Noble Drilling Corporation (NDC). The covenants and events of default under the Credit Facilities are substantially similar, and each facility contains a covenant that limits our ratio of debt to total tangible capitalization, as defined in the Credit Facilities, to 0.60. At December 31, 2012, our ratio of debt to total tangible capitalization was less than 0.36. We were in compliance with all covenants under the Credit Facilities as of December 31, 2012.

In addition to the covenants from the Credit Facilities noted above, the indentures governing our outstanding senior unsecured notes contain covenants that place restrictions on certain merger and consolidation transactions, unless we are the surviving entity or the other party assumes the obligations under the indenture, and on the ability to sell or transfer all or substantially all of our assets. In addition, there are restrictions on incurring or assuming certain liens and sale and lease-back transactions. At December 31, 2012, we were in compliance with all our debt covenants. We continually monitor compliance with the covenants under our notes and, based on our expectations for 2013, expect to remain in compliance during the year.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Joint Venture Debt

In the first quarter of 2011, the joint venture credit facilities, which had a combined outstanding balance of $693 million, were repaid in full through contributions to the joint ventures from Noble and Shell. Shell contributed $361 million in equity to fund their portion of the repayment of joint venture credit facilities and related interest rate swaps, which were settled concurrently with the repayment and termination of the joint venture credit facilities.

In January 2011, the Bully joint ventures issued notes to the joint venture partners totaling $70 million. The interest rate on these notes was 10%, payable semi-annually in arrears, and in kind, on June 30 and December 31 commencing in June 2011. The purpose of these notes was to provide additional liquidity to the joint ventures in connection with the shipyard construction of the *Bully* vessels.

In April 2011, the Bully joint venture partners entered into a subscription agreement, pursuant to which each partner was issued equity in each of the Bully joint ventures in exchange for the cancellation of all outstanding joint venture partner notes. The subscription agreement has the effect of converting all joint venture partner notes into equity of the respective joint venture. The total capital contributed as a result of these agreements was $146 million, which included $142 million in outstanding notes, plus accrued interest. Our portion of the capital contribution, totaling $73 million, was eliminated in consolidation.

Other

At December 31, 2012, we had letters of credit of $48 million and performance and tax assessment bonds totaling $264 million supported by surety bonds outstanding. Additionally, certain of our subsidiaries issue guarantees to the temporary import status of rigs or equipment imported into certain countries in which we operate. These guarantees are issued in-lieu of payment of custom, value added or similar taxes in those countries.

Aggregate principal repayments of total debt for the next five years and thereafter are as follows:

2013 (1) (2)	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
$ 639,794	$ 249,799	$ 350,000	$ 299,952	$ 299,852	$ 2,794,978	$ 4,634,375

(1) In May 2013, our 5.875% senior notes mature. We anticipate using availability on our Credit Facilities or commercial paper program to repay the outstanding balance; therefore, we have shown the entire balance as long-term on our December 31, 2012 Consolidated Balance Sheet.

(2) Amounts outstanding under our commercial paper program mature during 2013. As amounts issued under the commercial paper program are supported by the unused committed capacity under our Credit Facilities, they are classified as long-term on our Consolidated Balance Sheet at December 31, 2012.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Fair Value of Financial Instruments

Fair value represents the amount at which an instrument could be exchanged in a current transaction between willing parties. The estimated fair value of our senior notes was based on the quoted market prices for similar issues or on the current rates offered to us for debt of similar remaining maturities (Level 2 measurement). The following table presents the estimated fair value of our long-term debt as of December 31, 2012 and 2011.

	December 31, 2012		December 31, 2011	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Wholly-owned debt instruments				
5.875% Senior Notes due 2013	$ 299,985	$ 305,594	$ 299,949	$ 317,586
7.375% Senior Notes due 2014	249,799	269,008	249,647	278,966
3.45% Senior Notes due 2015	350,000	368,824	350,000	363,571
3.05% Senior Notes due 2016	299,952	316,268	299,938	306,057
2.50% Senior Notes due 2017	299,852	309,846		
7.50% Senior Notes due 2019	201,695	249,358	201,695	248,623
4.90% Senior Notes due 2020	498,900	562,530	498,783	531,437
4.625% Senior Notes due 2021	399,527	442,776	399,480	416,847
3.95% Senior Notes due 2022	399,095	422,227		
6.20% Senior Notes due 2040	399,891	477,327	399,890	450,017
6.05% Senior Notes due 2041	397,613	468,256	397,582	443,308
5.25% Senior Notes due 2042	498,257	533,422		
Credit facilities			975,000	975,000
Commercial paper program	339,809	339,809		
Total long-term debt	$ 4,634,375	$ 5,065,245	$ 4,071,964	$ 4,331,412

Note 8- Equity

Share Capital

The following table provides a detail of Noble-Swiss share capital as of December 31, 2012 and 2011:

	December 31,	
	2012	2011
Shares outstanding and trading	**252,759**	**252,352**
Treasury shares	589	287
Total shares outstanding	**253,348**	**252,639**
Treasury shares held for share-based compensation plans	12,802	13,511

Total shares authorized for issuance	**266,150**	**266,150**
Par value (in Swiss Francs)	3.15	3.41

Shares authorized for issuance by Noble-Swiss at December 31, 2012 totaled 266.2 million shares and include 0.6 million shares held in treasury by Noble-Swiss and 12.8 million treasury shares held by a wholly-owned subsidiary. Repurchased treasury shares are recorded at cost, and relate to shares surrendered by employees for taxes payable upon the vesting of restricted stock.

Our Board of Directors may further increase Noble-Swiss share capital through the issuance of up to 133.1 million authorized shares without obtaining shareholder approval. The issuance of these authorized shares is subject to certain conditions regarding their use. The current authority to issue these shares will expire in April 2013. We will recommend at the 2013 annual general meeting of shareholders that shareholders extend this authority for two years until April 2015.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

In April 2012, our shareholders approved the payment of a dividend aggregating $0.52 per share to be paid in four equal installments. As of December 31, 2012, we had $66 million of dividends payable outstanding on this obligation. Any additional issuances of shares would further increase our obligation.

Share Repurchases

Share repurchases made in the open market are made pursuant to the share repurchase program, which our Board of Directors authorized and adopted. At December 31, 2012, 6.8 million shares remained available under this authorization. Future repurchases will be subject to the requirements of Swiss law, including the requirement that we and our subsidiaries may only repurchase shares if and to the extent that sufficient freely distributable reserves are available. Also, the aggregate par value of all registered shares held by us and our subsidiaries, including treasury shares, may not exceed 10 percent of our registered share capital without shareholder approval. Our existing share repurchase program received the required shareholder approval prior to completion of our 2009 Swiss migration transaction. Share repurchases for each of the three years ended December 31, 2012 are as follows:

Year Ended December 31,	Total Number of Shares Purchased (1)	Total Cost	Average Price Paid per Share
2012	302,150	$ 10,516	$ 34.80
2011	261,721	10,233	39.10
2010	6,390,488(2)	230,936	36.14

(1) Includes shares surrendered by employees for taxes payable upon the vesting of restricted stock.
(2) Share repurchases under the share repurchase program totaled 6.1 million for 2010.

Share-Based Compensation Plans

Stock Plans

The Noble Corporation 1991 Stock Option and Restricted Stock Plan, as amended (the 1991 Plan), provides for the granting of options to purchase our shares, with or without stock appreciation rights, and the awarding of restricted shares or units to selected employees. In general, all options granted under the 1991 Plan have a term of 10 years, an exercise price equal to the fair market value of a share on the date of grant and generally vest over a three-year period. The 1991 Plan limits the total number of shares issuable under the plan to 50.1 million. As of December 31, 2012, we had 7.6 million shares remaining available for grants to employees under the 1991 Plan.

Prior to October 25, 2007, the Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors (the 1992 Plan) provided for the granting of nonqualified stock options to our non-employee directors. We granted options at fair market value on the grant date. The options are exercisable from time to time over a period commencing one year from the grant date and ending on the expiration of 10 years from the grant date, unless terminated sooner as described in the 1992 Plan. On October 25, 2007, the 1992 Plan was amended and restated to, among other things, eliminate grants of stock options to non-employee directors and modify the annual award of restricted shares from a fixed number of restricted shares to an annually-determined variable number of restricted or unrestricted shares. The 1992 Plan limits the total number of shares issuable under the plan to 2.0 million. As of December 31, 2012, we had 0.6 million shares remaining available for award to non-employee directors under the 1992 Plan.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Stock Options

A summary of the status of stock options granted under both the 1991 Plan and 1992 Plan as of December 31, 2012, 2011 and 2010 and the changes during the year ended on those dates is presented below:

	2012		2011		2010	
	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price	Number of Shares Underlying Options	Weighted Average Exercise Price
Outstanding at beginning of year	2,498,662	$ 29.22	2,767,486	$ 26.22	3,121,317	$ 24.39
Granted	358,772	36.04	322,567	37.71	212,730	39.46
Exercised (1)	(645,731)	20.97	(506,149)	17.89	(549,405)	21.12
Forfeited	(184,614)	35.92	(85,242)	31.33	(17,156)	20.78
Outstanding at end of year (2)	2,027,089	32.44	2,498,662	29.22	2,767,486	26.22
Exercisable at end of year (2)	1,453,945	$ 30.70	2,004,370	$ 27.55	2,310,614	$ 24.79

(1) The intrinsic value of options exercised during the year ended December 31, 2012 was $14 million.
(2) The aggregate intrinsic value of options outstanding and exercisable at December 31, 2012 was $8 million.

The following table summarizes additional information about stock options outstanding at December 31, 2012:

	Options Outstanding			Options Exercisable	
	Number of Shares Underlying Options	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$16.06 to $26.46	736,408	3.26	$ 24.06	736,408	$ 24.06
$26.47 to $35.79	297,936	4.56	32.69	253,133	33.06
$35.80 to $43.01	992,745	7.23	38.59	464,404	39.95
Total	2,027,089	5.40	$ 32.44	1,453,945	$ 30.70

Fair value information and related valuation assumptions for stock options granted are as follows:

	2012	2011	2010

Weighted average fair value per option granted	$ 13.41	$ 13.20	$ 16.14
Valuation assumptions:			
Expected option term (years)	6	6	6
Expected volatility	43.0%	38.6%	44.6%
Historical dividend yield	1.4%	1.5%	1.2%
Risk-free interest rate	1.1%	2.6%	2.6%

The fair value of each option is estimated on the date of grant using a Black-Scholes pricing model. Assumptions used in the valuation are shown in the table above. The expected term of options granted represents the period of time that the options are expected to be outstanding and is derived from historical exercise behavior, current trends and values derived from lattice-based models. Expected volatilities are based on implied volatilities of traded options on our shares, historical volatility of our shares, and other factors. The expected dividend yield is based on historical yields on the date of grant. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

A summary of the status of our non-vested stock options at December 31, 2012, and changes during the year ended December 31, 2012, is presented below:

	Shares Under Outstanding Options	Weighted-Average Grant-Date Fair Value
Non-Vested Options at January 1, 2012	494,292	$ 13.24
Granted	358,772	13.13
Vested	(265,780)	12.54
Forfeited	(74,501)	14.76
Non-Vested Options at December 31, 2012	512,783	$ 13.25

At December 31, 2012, there was $4 million of total unrecognized compensation cost remaining for option grants awarded under the 1991 Plan. We attribute the service period to the vesting period and the unrecognized compensation is expected to be recognized over a weighted-average period of 1.7 years. Compensation cost recognized during the years ended December 31, 2012, 2011 and 2010 related to stock options totaled $4 million, $3 million and $3 million, respectively.

We issue new shares to meet the share requirements upon exercise of stock options. We have historically repurchased shares in the open market from time to time, which minimizes the dilutive effect of share-based compensation.

Restricted Stock

We have awarded both time-vested restricted stock and market based performance-vested restricted stock under the 1991 Plan. The time-vested restricted stock awards generally vest over a three year period. The number of performance-vested restricted shares which vest will depend on the degree of achievement of specified corporate performance criteria over a three-year performance period. These criteria are strictly market based criteria as defined by FASB standards.

The time-vested restricted stock is valued on the date of award at our underlying share price. The total compensation for shares that ultimately vest is recognized over the service period. The shares and related par value are recorded when the restricted stock vests and additional paid-in capital is adjusted as the share-based compensation cost is recognized for financial reporting purposes.

The market based performance-vested restricted stock is valued on the date of grant based on the estimated fair value. Estimated fair value is determined based on numerous assumptions, including an estimate of the likelihood that our stock price performance will achieve the targeted thresholds and the expected forfeiture rate. The fair value is calculated using a Monte Carlo Simulation Model. The assumptions used to value the performance-vested restricted stock awards include historical volatility, risk-free interest rates, and expected dividends over a time period commensurate with the remaining term prior to vesting, as follows:

	2012	2011	2010
Valuation assumptions:			
Expected volatility	41.4%	57.7%	57.2%

Expected dividend yield	0.6%	0.6%	0.5%
Risk-free interest rate	0.3%	1.3%	1.3%

Additionally, similar assumptions were made for each of the companies included in the defined index and the peer group of companies in order to simulate the future outcome using the Monte Carlo Simulation Model.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

A summary of the restricted share awards for each of the years in the period ended December 31 is as follows:

	2012	2011	2010
Time-vested restricted shares:			
Shares awarded (maximum available)	932,274	660,124	537,269
Weighted-average share price at award date	$ 36.53	$ 37.68	$ 39.69
Weighted-average vesting period (years)	3.0	3.0	3.0
Performance-vested restricted shares:			
Shares awarded (maximum available)	481,206	508,206	349,784
Weighted-average share price at award date	$ 36.90	$ 37.60	$ 39.73
Three-year performance period ended December 31	2014	2013	2012
Weighted-average award-date fair value	$ 20.05	$ 16.77	$ 17.76

We award unrestricted shares under the 1992 Plan. During the years ended December 31, 2012, 2011 and 2010, we awarded 65,329, 69,711 and 78,714 unrestricted shares to non-employee directors, resulting in related compensation cost of $2 million, $3 million and $3 million, respectively.

A summary of the status of non-vested restricted shares at December 31, 2012 and changes during the year ended December 31, 2012 is presented below:

	Time-Vested Restricted Shares Outstanding	Weighted Average Award-Date Fair Value	Performance-Vested Restricted Shares Outstanding (1)	Weighted Average Award-Date Fair Value
Non-vested restricted shares at January 1, 2012	1,139,903	$ 36.16	1,242,205	$ 15.79
Awarded	932,274	36.53	481,206	20.05
Vested	(587,972)	34.25	(101,745)	13.56
Forfeited	(128,484)	37.44	(470,328)	14.42
Non-vested restricted shares at December 31, 2012	1,355,721	$ 37.13	1,151,338	$ 18.32

(1) The number of performance-vested restricted shares shown equals the shares that would vest if the maximum level of performance is achieved. The minimum number of shares is zero and the target level of performance is 67 percent of the amounts shown.

At December 31, 2012 there was $30 million of total unrecognized compensation cost related to the time-vested restricted shares which is expected to be recognized over a remaining weighted-average period of 1.6 years. The total award-date fair value of time-vested restricted shares vested during the year ended December 31, 2012 was $20 million.

At December 31, 2012, there was $8 million of total unrecognized compensation cost related to the performance-vested restricted shares which is expected to be recognized over a remaining weighted-average period of 1.5 years. The total potential compensation for performance-vested restricted stock is recognized over the service period regardless of whether the performance thresholds are ultimately achieved. During the year ended December 31, 2012, 374,864 performance-vested shares for the 2009-2011 performance period were forfeited. In February 2013, all performance-vested shares for the 2010-2012 performance period were forfeited.

Share-based amortization recognized during the years ended December 31, 2012, 2011 and 2010 related to all restricted stock totaled $36 million ($31 million net of income tax), $32 million ($28 million net of income tax) and $35 million ($30 million net of income tax), respectively. Capitalized share-based amortization totaled approximately $1 million for each year in 2012, 2011 and 2010, respectively.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 9- Accumulated Comprehensive Loss

The following table sets forth the components of Accumulated other comprehensive loss (AOCL), net of deferred taxes:

	December 31,	
	2012	2011
Foreign currency translation adjustments	$ (20,378)	$ (12,302)
Loss on foreign currency forward contracts		(3,061)
Deferred pension amounts	(95,071)	(58,958)
Accumulated other comprehensive loss, net	(115,449)	(74,321)
Less: Noncontrolling interest portion of gain on interest rate swaps		183
Other comprehensive loss, net attributable to Noble Corporation	$ (115,449)	$ (74,138)

Note 10- Gain on Contract Settlements/Extinguishments, Net

During the second quarter of 2012, we received approximately $5 million from the settlement of a claim relating to the *Noble David Tinsley*, which had experienced a punch-through while being positioned on location in 2009. We had originally recorded a $17 million charge during 2009 related to this incident. Additionally, during the second quarter of 2012, we settled an action against certain vendors for damages sustained during Hurricane Ike. We recognized a net gain of approximately $28 million related to this settlement. We also resolved all outstanding matters with Anadarko Petroleum Company (Anadarko) related to the previously disclosed force majeure action, Hurricane Ike matters and receivables relating to the *Noble Amos Runner*.

In January 2011, we announced the signing of a MOU with Petrobras regarding operations in Brazil. Under the terms of the MOU, we agreed to substitute the *Noble Phoenix*, then under contract with Shell in Southeast Asia, for the *Noble Muravlenko*. In connection with the cancellation of the contract on the *Noble Phoenix*, we recognized a non-cash gain of approximately $52.5 million during the first quarter of 2011, which represented the unamortized fair value of the in-place contract at acquisition. As a result of the substitution, we reached a decision not to proceed with the previously announced reliability upgrade to the *Noble Muravlenko* that was scheduled to take place in 2013, and therefore, incurred a non-cash charge of approximately $32.6 million related to the termination of outstanding shipyard contracts. The substitution was completed during the fourth quarter of 2012.

In February 2011, the outstanding balances of the Bully joint venture credit facilities, which totaled $693 million, were repaid in full and the credit facilities terminated using a portion of the proceeds from our February 2011 debt offering and equity contributions from our joint venture partner. In addition, the related interest rate swaps were settled and terminated concurrent with the repayment and termination of the credit facilities. As a result of these transactions, we recognized a gain of approximately $1.3 million during the first quarter of 2011.

Note 11- Loss on Impairment

During the second quarter of 2012, our submersible rig fleet, consisting of two cold stacked rigs, was partially impaired due to the declining market outlook for drilling services for this rig type. We estimated the fair value of the rigs based on the salvage value of the rigs and a recent transaction involving a similar unit owned by a peer company (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $13 million in 2012.

Also, during the second quarter of 2012, we determined that certain corporate assets were partially impaired due to a declining market for, and the potential disposal of, the assets. We estimated the fair value of the assets based on recent transactions involving similar units in the market (Level 2 fair value measurement). Based on these estimates, we recognized a charge of approximately $7 million in 2012.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 12- Income Taxes

Noble-Swiss is exempt from Swiss cantonal and communal income tax on its worldwide income, and is also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying participations. It is expected that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

We operate through various subsidiaries in numerous countries throughout the world, including the United States. Consequently, income taxes have been provided based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes.

The components of the net deferred taxes are as follows:

	2012	2011
Deferred tax assets		
United States		
Deferred pension plan amounts	$ 14,382	$ 17,768
Accrued expenses not currently deductible	20,431	33,145
Other	259	343
Non-U.S.		
Net operating loss carry forwards	43,314	62,351
Deferred pension plan amounts	3,832	4,104
Other	3,631	139
Deferred tax assets	85,849	117,850
Net deferred tax assets	$ 85,849	$ 117,850
Deferred tax liabilities		
United States		
Excess of net book basis over remaining tax basis	$ (254,724)	$ (290,074)
Other	(2,102)	(5,499)
Non-U.S.		
Excess of net book basis over remaining tax basis	(38,726)	(52,117)
Deferred tax liabilities	$ (295,552)	$ (347,690)
Net deferred tax liabilities	$ (209,703)	$ (229,840)

Income before income taxes consists of the following:

	Year Ended December 31,		
	2012	2011	2010
United States	$ 209,662	$ 142,922	$ 132,326
Non-U.S.	493,563	293,328	784,183
Total	$ 703,225	$ 436,250	$ 916,509

The income tax provision consists of the following:

	Year Ended December 31,		
	2012	2011	2010
Current- United States	$ 88,183	$ 68,254	$ 80,895
Current- Non-U.S.	79,024	86,696	101,192
Deferred- United States	(21,228)	(39,167)	(36,403)
Deferred- Non-U.S.	1,109	(43,158)	(2,607)
Total	$ 147,088	$ 72,625	$ 143,077

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The following is a reconciliation of our reserve for uncertain tax positions, excluding interest and penalties:

	2012	2011	2010
Gross balance at January 1,	$ 108,036	$ 128,581	$ 87,668
Additions based on tax positions related to current year	3,704	5,130	6,942
Additions for tax positions of prior years	16,432	5,718	40,264
Reductions for tax positions of prior years	(7,917)	(2,354)	
Expiration of statutes [1]	(1,903)	(28,846)	(6,293)
Tax settlements	(3,343)	(193)	
Gross balance at December 31,	115,009	108,036	128,581
Related tax benefits	(9,981)	(8,127)	(7,693)
Net reserve at December 31,	$ 105,028	$ 99,909	$ 120,888

(1) $(15.7) million and $(4.9) million relate to transactions recorded directly to equity for the years ended December 31, 2011 and December 31, 2010, respectively. There were no transactions recorded directly to equity for the year ended December 31, 2012.

The liabilities related to our reserve for uncertain tax positions are comprised of the following:

	2012	2011
Reserve for uncertain tax positions, excluding interest and penalties	$ 105,028	$ 99,909
Interest and penalties included in Other liabilities	19,944	18,202
Reserve for uncertain tax positions, including interest and penalties	$ 124,972	$ 118,111

If these reserves of $125 million are not realized, the provision for income taxes will be reduced by $125 million.

We include, as a component of our Income tax provision , potential interest and penalties related to recognized tax contingencies within our global operations. Interest and penalties resulted in an income tax expense of $5 million in 2012, an income tax benefit of $5 million in 2011 and an income tax expense of $6 million in 2010.

It is reasonably possible that our existing liabilities related to our reserve for uncertain tax positions may increase or decrease in the next twelve months primarily due to the completion of open audits or the expiration of statutes of limitation. However, we cannot reasonably estimate a range of changes in our existing liabilities due to various uncertainties, such as the unresolved nature of various audits.

We conduct business globally and, as a result, we file numerous income tax returns in the U.S. and non-U.S. jurisdictions. In the normal course of business we are subject to examination by taxing authorities throughout the world, including major jurisdictions such as Brazil, India, Mexico, Nigeria, Norway, Qatar, Saudi Arabia, Switzerland, the United Kingdom and the United States. We are no longer subject to U.S. Federal income tax examinations for years before 2008 and non-U.S. income tax examinations for years before 2002.

Noble-Swiss conducts substantially all of its business through Noble-Cayman and its subsidiaries. Earnings are taxable in Switzerland at the Swiss statutory rate of 8.5 percent. This statutory rate is not material due to our participation exemption, and the Cayman Islands does not impose a corporate income tax. A reconciliation of tax rates outside of Switzerland and the Cayman Islands to our Noble-Swiss effective rate is shown below:

	Year Ended December 31,		
	2012	**2011**	**2010**
Effect of:			
Tax rates which are different than the Swiss and Cayman Island rates	20.7%	18.9%	14.6%
Reserve for (resolution of) tax authority audits	0.2%	-2.2%	1.0%
Total	20.9%	16.7%	15.6%

74

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

In 2012, we generated and fully utilized $22 million of U.S. foreign tax credits. In 2011, we generated and fully utilized $21 million of U.S. foreign tax credits. In 2010, we fully utilized our foreign tax credits of $17 million.

Deferred income taxes and the related dividend withholding taxes have not been provided on approximately $2.1 billion of undistributed earnings of our subsidiaries. We consider such earnings to be permanently reinvested. Due to complexities in the tax laws and the manner of repatriation, it is not practicable to estimate the amount of deferred income taxes associated with these unremitted earnings. If such earnings were to be distributed, we would be subject to tax, which would have a material impact on our results of operations.

Note 13- Employee Benefit Plans

Defined Benefit Plans

We have two U.S. noncontributory defined benefit pension plans: one which covers certain salaried employees and one which covers certain hourly employees, whose initial date of employment is prior to August 1, 2004 (collectively referred to as our qualified U.S. plans). These plans are governed by the Noble Drilling Corporation Retirement Trust (the Trust). The benefits from these plans are based primarily on years of service and, for the salaried plan, employees compensation near retirement. These plans qualify under the Employee Retirement Income Security Act of 1974 (ERISA), and our funding policy is consistent with funding requirements of ERISA and other applicable laws and regulations. We make cash contributions, or utilize credit balances available to us under the plan, for the qualified U.S. plans when required. The benefit amount that can be covered by the qualified U.S. plans is limited under ERISA and the Internal Revenue Code (IRC) of 1986. Therefore, we maintain an unfunded, nonqualified excess benefit plan designed to maintain benefits for all employees at the formula level in the qualified salary U.S. plan. We refer to the qualified U.S. plans and the excess benefit plan collectively as the U.S. plans .

Each of Noble Drilling (Land Support) Limited, Noble Enterprises Limited and Noble Drilling (Nederland) B.V., all indirect, wholly-owned subsidiaries of Noble-Swiss, maintains a pension plan which covers all of its salaried, non-union employees (collectively referred to as our non-U.S. plans). Benefits are based on credited service and employees compensation near retirement, as defined by the plans.

A reconciliation of the changes in projected benefit obligations (PBO) for our non-U.S. and U.S. plans is as follows:

	Year Ended December 31,			
	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Benefit obligation at beginning of year	$ 111,164	$ 192,042	$ 101,133	$ 157,903
Service cost	4,461	9,612	4,545	8,608
Interest cost	5,372	8,719	5,586	8,570
Actuarial loss	28,442	19,115	3,202	20,643
Benefits paid	(2,442)	(3,603)	(2,810)	(3,682)
Plan participants contributions	747		781	
Foreign exchange rate changes	4,037		(1,273)	
Benefit obligation at end of year	$ 151,781	$ 225,885	$ 111,164	$ 192,042

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

A reconciliation of the changes in fair value of plan assets is as follows:

	Year Ended December 31, 2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Fair value of plan assets at beginning of year	$ 143,110	$ 140,828	$ 128,695	$ 144,542
Actual return on plan assets	935	19,251	13,228	(5,063)
Employer contributions	5,647	10,694	5,543	5,031
Benefits and expenses paid	(2,442)	(3,603)	(2,810)	(3,682)
Plan participants contributions	747		781	
Foreign exchange rate changes	3,822		(2,327)	
Fair value of plan assets at end of year	$ 151,819	$ 167,170	$ 143,110	$ 140,828

The funded status of the plans is as follows:

	Year Ended December 31, 2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Funded status	$ 38	$ (58,715)	$ 31,946	$ (51,214)

Amounts recognized in the Consolidated Balance Sheets consist of:

	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Other assets (noncurrent)	$ 3,486	$	$ 31,946	$ 596
Other liabilities (current)		(1,988)		(1,630)
Other liabilities (noncurrent)	(3,448)	(56,727)		(50,180)
Net amount recognized	$ 38	$ (58,715)	$ 31,946	$ (51,214)

Amounts recognized in the Accumulated other comprehensive loss consist of:

	Year Ended December 31, 2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Net actuarial loss	$ 40,288	$ 89,046	$ 6,691	$ 85,366
Prior service cost		1,131		1,359

Transition obligation				
Deferred income tax asset	(3,832)	(31,562)	(4,104)	(30,354)
Accumulated other comprehensive loss	$ 36,456	$ 58,615	$ 2,587	$ 56,371

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Pension cost includes the following components:

	Year Ended December 31,					
	2012		2011		2010	
	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.
Service Cost	$ 4,461	$ 9,612	$ 4,545	$ 8,608	$ 4,260	$ 7,648
Interest Cost	5,372	8,719	5,586	8,570	4,926	7,829
Return on plan assets	(5,344)	(11,171)	(5,647)	(11,072)	(5,321)	(9,568)
Pension obligation settlement					718	227
Amortization of prior service cost		227	483	227	70	
Amortization of transition obligation			74			
Recognized net actuarial loss	803	7,356		3,374		2,821
Net pension expense	$ 5,292	$ 14,743	$ 5,041	$ 9,707	$ 4,653	$ 8,957

The estimated prior service cost, transition obligation and net actuarial loss that will be amortized from Accumulated other comprehensive loss into net periodic pension cost in 2013 are $0 million, $0 million and $1.7 million, respectively, for non-U.S. plans and $0.2 million, $0 million and $7.6 million, respectively, for U.S. plans.

Defined Benefit Plans Disaggregated Plan Information

Disaggregated information regarding our non-U.S. and U.S. plans is summarized below:

	Year Ended December 31,			
	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Projected benefit obligation	$ 151,781	$ 225,885	$ 111,164	$ 192,042
Accumulated benefit obligation	146,612	185,961	107,832	155,484
Fair value of plan assets	151,819	167,170	143,110	140,828

The following table provides information related to those plans in which the PBO exceeded the fair value of the plan assets at December 31, 2012 and 2011. The PBO is the actuarially computed present value of earned benefits based on service to date and includes the estimated effect of any future salary increases.

	Year Ended December 31,			
	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Projected benefit obligation	$ 87,455	$ 225,885	$	$ 169,733
Fair value of plan assets	84,007	167,170		117,924

The PBO for the unfunded excess benefit plan was $14 million at December 31, 2012 as compared to $13 million in 2011, and is included under U.S. in the above tables.

The following table provides information related to those plans in which the accumulated benefit obligation (ABO) exceeded the fair value of plan assets at December 31, 2012 and 2011. The ABO is the actuarially computed present value of earned benefits based on service to date, but differs from the PBO in that it is based on current salary levels.

	Year Ended December 31,			
	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Accumulated benefit obligation	$ 6,481	$ 185,961	$	$ 133,175
Fair value of plan assets	5,074	167,170		117,924

77

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The ABO for the unfunded excess benefit plan was $13 million at December 31, 2012 as compared to $10 million in 2011, and is included under U.S. in the above tables.

Defined Benefit Plans Key Assumptions

The key assumptions for the plans are summarized below:

	Year Ended December 31,			
	2012		2011	
	Non-U.S.	U.S.	Non-U.S.	U.S.
Weighted-average assumptions used to determine benefit obligations:				
Discount Rate	3.6%-4.5%	3.1%-4.2%	4.7%-5.0%	4.3%-4.7%
Rate of compensation increase	3.6%-4.1%	5.0%	3.9%-4.0%	5.0%

	Year Ended December 31,					
	2012		2011		2010	
	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.
Weighted-average assumptions used to determine periodic benefit cost:						
Discount Rate	4.7%-5.0%	4.3%-4.7%	5.3%-5.4%	5.0%-5.8%	5.3%-5.4%	5.8%-6.0%
Expected long-term return on assets	3.9%-5.4%	7.8%	2.2%-6.3%	7.8%	3.0%-6.5%	7.8%
Rate of compensation increase	2.3%-4.4%	5.0%	3.9%-4.6%	5.0%	3.9%-4.0%	5.0%

The discount rate used to calculate the net present value of future benefit obligations for our U.S. plan is based on the average of current rates earned on long-term bonds that receive a Moody s rating of Aa or better. We have determined that the timing and amount of expected cash outflows on our plan reasonably match this index. For non-U.S. plans, the discount rates used to calculate the net present value of future benefit obligations are determined by using a yield curve of high quality bond portfolios with an average maturity approximating that of the liabilities.

We employ third-party consultants for our U.S. and non-U.S. plans that use a portfolio return model to assess the initial reasonableness of the expected long-term rate of return on plan assets. To develop the expected long-term rate of return on assets, we considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets for the portfolio.

Defined Benefit Plans Plan Assets

Non-U.S. Plans

Both the Noble Enterprises Limited and Noble Drilling (Nederland) B.V. pension plans have a targeted asset allocation of 100 percent debt securities. The investment objective for the Noble Enterprises Limited U.S. Dollar plan assets is to earn a favorable return against the Citigroup World Governmental Bond Index for all maturities greater than one year. The investment objective for both the Noble Enterprises Limited (NEL) and the Noble Drilling (Nederland) B.V. (NDNBV) Euro plan assets is to earn a favorable return against the Barclays Capital Euro Aggregate Unhedged index and the Customized Benchmark for Long Duration Fund for all maturities greater than one year. We evaluate the performance of these plans on an annual basis.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The Noble Drilling (Land Support) Limited pension plan has a target asset allocation of 70 percent equity securities and 30 percent debt securities. The investment objective of the plan, as adopted by the plan s trustees, is to achieve a favorable return against a benchmark of blended United Kingdom market indices. By achieving this objective, the trustees believe the plan will be able to avoid significant volatility in the contribution rate and provide sufficient plan assets to cover the plan s benefit obligations were the plan to be liquidated. To achieve these objectives, the trustees have given the plan s investment managers full discretion in the day-to-day management of the plan s assets. The plan s assets are invested with two investment managers. The performance objective communicated to one of these investment managers is to exceed a blend of FTSE A Over 15 Year Gilts index and iBoxx Sterling Non Gilts index by 1.25 percent per annum. The performance objective communicated to the other investment manager is to exceed a blend of FTSE s All Share index, North America index, Europe index and Pacific Basin index by 1.00 to 2.00 percent per annum. This investment manager is prohibited by the trustees from investing in real estate. The trustees meet with the investment managers periodically to review and discuss their investment performance.

The actual fair values of Non-U.S. pension plans as of December 31, 2012 and 2011 are as follows:

		December 31, 2012 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 7,158	$ 7,158	$	$
Equity securities:				
International companies	$ 45,560	$ 45,560	$	$
Fixed income securities:				
Corporate bonds	$ 22,189	$	$ 22,189	$
Other	76,912			76,912
Total	$ 151,819	$ 52,718	$ 22,189	$ 76,912

		December 31, 2011 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 50	$ 50	$	$
Equity securities:				
International companies	$ 38,842	$ 38,842	$	$

Fixed income securities:				
Corporate bonds	$ 20,196	$	$ 20,196	$
Other	84,022		84,022	
Total	$ 143,110	$ 38,892	$ 104,218	$

For the year ended December 31, 2011, we presented the $20 million in fixed income securities in the December 31, 2011 table above as a Level 1 measurement. While the underlying investments are traded in active markets, which is a Level 1 measurement, the funds we own the investments through are not themselves actively traded, and therefore are being presented as a Level 2 measurement at both December 31, 2012 and 2011. The change in presentation for December 31, 2011 does not affect the fair value of the investment, nor does it have a material impact on our funding status as of December 31, 2011.

At December 31, 2012, assets of both NEL and NDNBV are invested in instruments that are similar in form to a guaranteed insurance contract. There are no observable market values for these assets (Level 3); however, the amounts listed as plan assets were materially similar to the anticipated benefit obligations that were anticipated under the plan. Amounts were therefore calculated using actuarial assumptions completed by third-party consultants employed by Noble. The following table details the activity related to these investments during the year.

	Market Value
Balance as of December 31, 2011	$
Assets purchased	77,891
Assets sold/benefits paid	(591)
Gain on exchange rate	1,274
Loss on investment	(1,662)
Balance as of December 31, 2012	**$ 76,912**

U.S. Plans

The Trust invests in equity securities, fixed income debt securities, and cash equivalents and other short-term investments. The Trust may invest in these investments directly or through pooled vehicles, including mutual funds.

The Company s overall investment strategy, or target range, is to achieve a mix of approximately 65 percent in equity securities, 32 percent in debt securities and 3 percent in cash holdings. Actual results may deviate from the target range, however any deviation from the target range of asset allocations must be approved by the Trust s governing committee.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The performance objective of the Trust is to outperform the return of the Total Index Composite as constructed to reflect the target allocation weightings for each asset class. This objective should be met over a market cycle, which is defined as a period not less than three years or more than five years. U.S. equity securities (common stock, convertible preferred stock and convertible bonds) should achieve a total return (after fees) that exceeds the total return of an appropriate market index over a full market cycle of three to five years. Non-U.S. equity securities (common stock, convertible preferred stock and convertible bonds), either from developed or emerging markets, should achieve a total return (after fees) that exceeds the total return of an appropriate market index over a full market cycle of three to five years. Fixed income debt securities should achieve a total return (after fees) that exceeds the total return of an appropriate market index over a full market cycle of three to five years. Cash equivalent and short-term investments should achieve relative performance better than the 90-day Treasury bills. When mutual funds are used by the Trust, those mutual funds should achieve a total return that equals or exceeds the total return of each fund s appropriate Lipper or Morningstar peer category over a full market cycle of three to five years. Lipper and Morningstar are independent mutual fund rating and information services.

For investments in equity securities, no individual options or financial futures contracts are purchased unless approved in writing by the Trust s governing committee. In addition, no private placements or purchases of venture capital are allowed. The maximum commitment to a particular industry, as defined by Standard & Poor s, may not exceed 20 percent. The Trust s equity managers vote all proxies in the best interest of the Trust without regards to social issues. The Trust s governing committee reserves the right to comment on and exercise control over the response to any individual proxy solicitation.

For fixed income debt securities, corporate bonds purchased are primarily limited to investment grade securities as established by Moody s or Standard & Poor s. At no time shall the lowest investment grade make up more than 20 percent of the total market value of the Trust s fixed income holdings. The total fixed income exposure from any single non-government or government agency issuer shall not exceed 10 percent of the Trust s fixed income holdings. The average duration of the total portfolio shall not exceed seven years. All interest and principal receipts are swept, as received, into an alternative cash management vehicle until reallocated in accordance with the Trust s core allocation.

For investments in mutual funds, the assets of the Trust are subject to the guidelines and limits imposed by such mutual fund s prospectus and the other governing documentation at the fund level.

For investments in cash equivalent and short-term investments, the Trust utilizes a money market mutual fund which invests in U.S. government and agency obligations, repurchase agreements collateralized by U.S. government or agency securities, commercial paper, bankers acceptances, certificate of deposits, delayed delivery transactions, reverse repurchase agreements, time deposits and Euro obligations. Bankers acceptances shall be made in larger banks (ranked by assets) rated Aa or better by Moody s and in conformance with all FDIC regulations concerning capital requirements.

Equity securities include our shares in the amounts of $4 million (2.3 percent of total U.S. plan assets) and $3 million (2.4 percent of total U.S. plan assets) at December 31, 2012 and 2011, respectively.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The actual fair values of U.S. pension plan assets as of December 31, 2012 and 2011 are as follows:

		December 31, 2012 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 1,609	$ 1,609	$	$
Equity securities:				
U.S. Companies	$ 113,730	$ 94,578	$ 19,152	$
Fixed income securities:				
Corporate bonds	$ 51,831	$ 51,831	$	$
Total	$ 167,170	$ 148,018	$ 19,152	$

		December 31, 2011 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 1,345	$ 1,345	$	$
Equity securities:				
U.S. Companies	$ 95,931	$ 78,822	$ 17,109	$
Fixed income securities:				
Corporate bonds	$ 43,552	$ 43,552	$	$
Total	$ 140,828	$ 123,719	$ 17,109	$

For the year ended December 31, 2011, we presented the $17 million in equity securities in the December 31, 2011 table above as a Level 1 measurement. While the underlying investments are traded in active markets, which is a Level 1 measurement, the funds we own the investments through are not themselves actively traded, and therefore are being presented as a Level 2 measurement at both December 31, 2012 and 2011. The change in presentation for December 31, 2011 does not affect the fair value of the investment, nor does it have a material impact on our funding status as of December 31, 2011.

As of December 31, 2012, no single security made up more than 10 percent of total assets of either the U.S. or the Non-U.S. plans.

Defined Benefit Plans Cash Flows

In 2012, we made total contributions of $6 million and $11 million to our non-U.S. and U.S. pension plans, respectively. In 2011, we made total contributions of $6 million and $5 million to our non-U.S. and U.S. pension plans, respectively. In 2010, we made total contributions of $6 million and $10 million to our non-U.S. and U.S. pension plans, respectively. We expect our aggregate minimum contributions to our non-U.S. and U.S. plans in 2013, subject to applicable law, to be $8 million and $10 million, respectively. We continue to monitor and evaluate funding options based upon market conditions and may increase contributions at our discretion.

The following table summarizes our estimated benefit payments at December 31, 2012:

				Payments by Period			
	Total	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**
Estimated benefit payments							
Non U.S. plan	$ 43,901	$ 2,138	$ 2,249	$ 2,403	$ 2,547	$ 2,779	$ 31,785
U.S. plan	92,319	6,028	5,139	5,720	7,653	7,453	60,326
Total estimated benefit payments	$ 136,220	$ 8,166	$ 7,388	$ 8,123	$ 10,200	$ 10,232	$ 92,111

Other Benefit Plans

We sponsor the Restoration Plan, which is a nonqualified, unfunded employee benefit plan under which certain highly compensated employees may elect to defer compensation in excess of amounts deferrable under our 401(k) savings plan. The Restoration Plan has no assets, and amounts withheld for the Restoration Plan are kept by us for general corporate purposes. The investments selected by employees and associated returns are tracked on a phantom basis. Accordingly, we have a liability to the employee for amounts originally withheld plus phantom investment income or less phantom investment losses. We are at risk for phantom investment income and, conversely, benefit should phantom investment losses occur. At December 31, 2012 and 2011, our liability for the Restoration Plan was $7 million and $6 million, respectively, and is included in Accrued payroll and related costs.

In 2005 we enacted a profit sharing plan, the Noble Drilling Corporation Profit Sharing Plan, which covers eligible employees, as defined. Participants in the plan become fully vested in the plan after five years of service, or three years beginning in 2007. Profit sharing contributions are discretionary, require Board of Directors approval and are made in the form of cash. Contributions recorded related to this plan totaled $4 million, $2 million and $2 million in 2012, 2011 and 2010, respectively.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

We sponsor a 401(k) savings plan and other plans for the benefit of our employees. The cost of maintaining these plans aggregated $84 million, $61 million and $45 million in 2012, 2011 and 2010, respectively. We do not provide post-retirement benefits (other than pensions) or any post-employment benefits to our employees.

Note 14- Derivative Instruments and Hedging Activities

We periodically enter into derivative instruments to manage our exposure to fluctuations in interest rates and foreign currency exchange rates. We have documented policies and procedures to monitor and control the use of derivative instruments. We do not engage in derivative transactions for speculative or trading purposes, nor were we a party to leveraged derivatives. During the period, we maintained certain foreign currency forward contracts that did not qualify under the FASB standards for hedge accounting treatment and therefore, changes in fair values were recognized as either income or loss in our consolidated income statement.

For foreign currency forward contracts, hedge effectiveness is evaluated at inception based on the matching of critical terms between derivative contracts and the hedged item. For interest rate swaps, we evaluate all material terms between the swap and the underlying debt obligation, known in FASB standards as the long-haul method . Any change in fair value resulting from ineffectiveness is recognized immediately in earnings. No income or loss was recognized during 2012 due to hedge ineffectiveness. During 2011 and 2010, we recognized a loss of $1.2 million and $0.3 million, respectively, in other income due to interest rate swap hedge ineffectiveness.

Cash Flow Hedges

Our North Sea and Brazil operations have a significant amount of their cash operating expenses payable in local currencies. To limit the potential risk of currency fluctuations, we have historically maintained short-term forward contracts settling monthly in their respective local currencies. At December 31, 2012, we had no outstanding derivative contracts. At December 31, 2011 total unrealized loss related to forward contracts was $3 million, which was recorded as part of AOCL in our Consolidated Balance Sheet.

Our two joint ventures had maintained interest rate swaps which were classified as cash flow hedges. The purpose of these hedges was to satisfy bank covenants of the then outstanding credit facilities and to limit exposure to changes in interest rates. In February 2011, the outstanding balances of the joint venture credit facilities and the related interest rate swaps were settled and terminated. As a result of these transactions, we recognized a gain of $1 million during the year ended December 31, 2011.

The balance of the net unrealized gain/(loss) related to our cash flow hedges included in AOCL in the Consolidated Balance Sheets and related activity is as follows:

	2012	2011	2010
Net unrealized gain (loss) at beginning of period	$ (3,061)	$ 1,970	$ 417
Activity during period:			
Settlement of foreign currency forward contracts during the period	3,061	(1,604)	(417)
Settlement of interest rate swaps during the period		(366)	
Net unrealized gain/(loss) on outstanding foreign currency forward contracts		(3,061)	1,604
Net unrealized gain on outstanding interest rate swaps			366
Net unrealized gain/(loss) at end of period	$	$ (3,061)	$ 1,970

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Foreign Currency Forward Contracts

The Bully 2 joint venture maintained foreign currency forward contracts to help mitigate the risk of currency fluctuation of the Singapore Dollar for the construction of the *Noble Bully II* drillship. These contracts were not designated for hedge accounting treatment under FASB standards, and therefore, changes in fair values were recognized as either income or loss in our Consolidated Income Statement. These contracts are referred to as non-designated derivatives in the tables to follow, and all were settled during the first quarter of 2011. For the year ended December 31, 2011, we recognized a loss of $0.5 million related to these foreign currency forward contracts.

Financial Statement Presentation

The following tables, together with Note 15, summarize the financial statement presentation and fair value of our derivative positions as of December 31:

	Balance sheet classification	Estimated fair value 2012	Estimated fair value 2011
Liability derivatives			
Cash flow hedges			
Short-term foreign currency forward contracts	Other current liabilities	$	$ 3,061

To supplement the fair value disclosures in Note 15, the following summarizes the recognized gains and losses of cash flow hedges and non-designated derivatives through AOCL or through other income for the years ended December 31, 2012 and 2011:

	Gain/(loss) recognized through AOCL 2012	Gain/(loss) recognized through AOCL 2011	Gain reclassified from AOCL to other income 2012	Gain reclassified from AOCL to other income 2011	Gain/(loss) recognized through other income 2012	Gain/(loss) recognized through other income 2011
Cash flow hedges						
Foreign currency forward contracts	$	$ (3,061)	$ 3,061	$ (1,604)	$	$
Interest rate swaps				(366)		
Non-designated derivatives						
Foreign currency forward contracts	$	$	$	$	$	$ (546)

During the year ended December 31, 2011, in connection with the settlement of our interest rate swaps, $1 million was reclassified from AOCL to gain on contract extinguishments, net .

For cash flow presentation purposes, cash outflows of $29 million were recognized in the financing activities section related to the settlement of interest rate swaps in 2011. All other amounts are recognized through changes in operating activities and are recognized through changes in other assets and liabilities.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 15- Financial Instruments and Credit Risk

The following table presents the carrying amount and estimated fair value as of December 31, 2012 and 2011 of our financial instruments recognized at fair value on a recurring basis:

		December 31, 2012 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets -				
Marketable securities	$ 5,816	$ 5,816	$	$

		December 31, 2011 Estimated Fair Value Measurements		
	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets -				
Marketable securities	$ 4,701	$ 4,701	$	$
Liabilities -				
Foreign currency forward contracts	$ 3,061	$	$ 3,061	$

The derivative instruments have been valued using actively quoted prices and quotes obtained from the counterparties to the derivative agreements. Our cash and cash equivalents, accounts receivable and accounts payable are by their nature short-term. As a result, the carrying values included in the accompanying Consolidated Balance Sheets approximate fair value.

Concentration of Credit Risk

The market for our services is the offshore oil and gas industry, and our customers consist primarily of government-owned oil companies, major integrated oil companies and independent oil and gas producers. We perform ongoing credit evaluations of our customers and generally do not require material collateral. We maintain reserves for potential credit losses when necessary. Our results of operations and financial condition should be considered in light of the fluctuations in demand experienced by drilling contractors as changes in oil and gas producers expenditures and budgets occur. These fluctuations can impact our results of operations and financial condition as supply and demand factors directly affect utilization and dayrates, which are the primary determinants of our net cash provided by operating activities.

In 2012, two customers combined for approximately 46 percent of our consolidated operating revenues. In 2011, three customers combined for approximately 57 percent of our consolidated operating revenues. In 2010, three customers accounted for approximately 50 percent of consolidated operating revenues. No other customer accounted for more than 10 percent of consolidated operating revenues in 2012, 2011 and

2010.

Note 16- Commitments and Contingencies

The *Noble Homer Ferrington* was under contract with a subsidiary of ExxonMobil Corporation (ExxonMobil), which entered into an assignment agreement with BP for a two-well farmout of the rig in Libya after successfully drilling two wells with the rig for ExxonMobil. In August 2010, BP attempted to terminate the assignment agreement claiming that the rig was not in the required condition, and ExxonMobil informed us that we must look to BP for payment of the dayrate during the assignment period. In August 2010, we initiated arbitration proceedings under the drilling contract against both BP and ExxonMobil. We do not believe BP had the right to terminate the assignment agreement and believe the rig was ready to operate under the drilling contract. The rig operated under farmout arrangements from March 2011 to the conclusion of the contract in the second quarter of 2012. We believe we are owed dayrate by either or both of these clients. The operating dayrate was approximately $538,000 per day for the work in Libya. The arbitration process is proceeding, and we intend to vigorously pursue these claims. As a result of the uncertainties noted above, we have not recognized any revenue during the assignment period and the matter could have a material positive effect on our results of operations or cash flows in the period the matter is resolved should the arbitration panel ultimately rule in our favor.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

In August 2007, we entered into a drilling contract with Marathon Oil Company (Marathon) for the *Noble Jim Day* to operate in the U.S. Gulf of Mexico. On January 1, 2011, Marathon provided notice that it was terminating the contract. Marathon s stated reason for the termination was that the rig had not been accepted by Marathon by December 31, 2010, and Marathon also maintained that a force majeure condition existed under the contract. The contract contained a provision allowing Marathon to terminate if the rig had not commenced operations by December 31, 2010. We believe the rig was ready to commence operations and should have been accepted by Marathon. The contract term was for four years. No revenue has been recognized under this contract. We have contracted the rig for much of the original term with other customers. In March 2011, we filed suit in Texas State District Court against Marathon seeking damages for its actions. The suit is proceeding and we expect the trial to occur in the third quarter of 2013. We cannot provide assurance as to the outcome of this lawsuit.

In November 2012, the U.S. Coast Guard in Alaska conducted an inspection of our drillship, the *Noble Discoverer*, and cited a number of deficiencies that needed to be remediated, including issues relating to the main propulsion and safety management system. We initiated a comprehensive effort to address the deficiencies identified by the Coast Guard and commenced an ongoing dialogue with the agency to keep it apprised of our progress. We began an internal investigation in conjunction with the Coast Guard inspection, and the Coast Guard then began their own investigation. We reported certain potential violations of applicable law to the Coast Guard identified as a result of our internal investigation. These related to what we believe were certain unauthorized disposals of collected deck and sea water from the *Noble Discoverer*, as well as potential record-keeping issues with the oil record books for the *Noble Discoverer* and other rigs. The Coast Guard has referred the *Noble Discoverer* matter to the U.S. Department of Justice (DOJ) for further investigation. We are cooperating with the DOJ and Coast Guard in connection with their investigation. We cannot predict when the DOJ and Coast Guard will conclude the investigation and cannot provide any assurances with respect to the outcome. If the DOJ or Coast Guard determines that violations of applicable law have occurred, they could seek civil and criminal sanctions, including monetary penalties, against us and/or certain of our employees, as well as oversight of our operational compliance programs. Based on information obtained to date, we believe it is probable that we will have to pay an amount to resolve this matter. However, we are not in a position to estimate the potential liability that may result and have not made any accrual in our consolidated financial statements at December 31, 2012.

In January 2012, we were assessed a fine by the Brazilian government in the amount of R$1.8 million (approximately $878,000) in connection with the inadvertent discharge of drilling fluid from one of our rigs offshore Brazil in September 2011. We have accepted and paid the assessment.

In October 2011, we were assessed a fine by the Brazilian government in the amount of R$238,000 (approximately $116,000) in connection with the inadvertent discharge of approximately 200 barrels of drilling fluid from one of our vessels offshore Brazil in November 2010. We plan on appealing this judgment to the full extent permissible by law.

We are from time to time a party to various lawsuits that are incidental to our operations in which the claimants seek an unspecified amount of monetary damages for personal injury, including injuries purportedly resulting from exposure to asbestos on drilling rigs and associated facilities. At December 31, 2012, there were approximately 29 of these lawsuits in which we are one of many defendants. These lawsuits have been filed in the United States in the states of Louisiana, Mississippi and Texas. We intend to defend vigorously against the litigation. We do not believe the ultimate resolution of these matters will have a material adverse effect on our financial position, results of operations or cash flows.

We are a defendant in certain claims and litigation arising out of operations in the ordinary course of business, including certain disputes with customers over receivables discussed in Note 5, the resolution of which, in the opinion of management, will not be material to our financial position, results of operations or cash flows. There is inherent risk in any litigation or dispute and no assurance can be given as to the outcome of these claims.

85

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

We operate in a number of countries throughout the world and our tax returns filed in those jurisdictions are subject to review and examination by tax authorities within those jurisdictions. The IRS has completed its examination of our tax reporting for the taxable year ended December 31, 2008. The examination team has proposed adjustments with respect to certain items that were reported by us for the 2008 tax year. We believe that we have accurately reported all amounts included in our 2008 tax returns, and have filed protests with the IRS Appeals Office contesting the examination team s proposed adjustments, and we are still waiting on a final resolution of these issues. We intend to vigorously defend our reported positions. The IRS has begun its examination of our tax reporting for the taxable year ended December 31, 2009. We believe that we have accurately reported all amounts in our 2009 tax returns. During the third quarter of 2012, a U.S. subsidiary of Frontier concluded its audit with the IRS for its 2007 and 2008 tax returns, resulting in no change to income tax expense. Furthermore, we are currently contesting several non-U.S. tax assessments and may contest future assessments when we disagree with those assessments based on the technical merits of the positions established at the time of the filing of the tax return. We believe the ultimate resolution of the outstanding assessments, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements. We recognize uncertain tax positions that we believe have a greater than 50 percent likelihood of being sustained. We cannot predict or provide assurance as to the ultimate outcome of the existing or future assessments.

Our Mexican income tax returns have been examined for the 2002 through 2007 periods and audit claims have been assessed for approximately $321 million (including interest and penalties). During 2011, we received from the Regional Chamber of the Federal Tax Court adverse decisions with respect to approximately $6 million in assessments related to depreciation deductions, which we are appealing. We are also contesting all other assessments in Mexico. Tax authorities in Mexico and other jurisdictions may issue additional assessments or pursue legal actions as a result of tax audits and we cannot predict or provide assurance as to the ultimate outcome of such assessments and legal actions.

Additional audit claims of approximately $123 million attributable to income, customs and other business taxes have been assessed against us in other jurisdictions. We have contested, or intend to contest, these assessments, including through litigation if necessary, and we believe the ultimate resolution, for which we have not made any accrual, will not have a material adverse effect on our consolidated financial statements.

We maintain certain insurance coverage against specified marine perils, which includes physical damage and loss of hire. Damage caused by hurricanes has negatively impacted the energy insurance market, resulting in more restrictive and expensive coverage for U.S. named windstorm perils. Accordingly, we have elected to significantly reduce the named windstorm insurance on our rigs operating in the U.S. Gulf of Mexico. Presently, we insure the *Noble Jim Thompson*, *Noble Amos Runner* and *Noble Driller* for total loss only when caused by a named windstorm. Our customer assumes the risk of loss on the *Noble Bully I* due to a named windstorm event up to $450 million per occurrence pursuant to the terms of the drilling contract relating to such vessel, provided that we are responsible for the first $25 million per occurrence for such named windstorm events. The remaining rigs in the U.S. Gulf of Mexico are self-insured for named windstorm perils. Our rigs located in the Mexico portion of the Gulf of Mexico remain covered by commercial insurance for windstorm damage. In addition, we maintain physical damage deductibles on our rigs ranging from $15 million to $25 million per occurrence, depending on location. The loss of hire coverage applies only to our rigs operating under contract with a dayrate equal to or greater than $200,000 a day and is subject to a 45-day waiting period for each unit and each occurrence.

Although we maintain insurance in the geographic areas in which we operate, pollution, reservoir damage and environmental risks generally are not fully insurable. Our insurance policies and contractual rights to indemnity may not adequately cover our losses or may have exclusions of coverage for some losses. We do not have insurance coverage or rights to indemnity for all risks, including loss of hire insurance on most of the rigs in our fleet. Uninsured exposures may include expatriate activities prohibited by U.S. laws and regulations, radiation hazards, certain loss or damage to property on board our rigs and losses relating to shore-based terrorist acts or strikes. If a significant accident or other event occurs and is not fully covered by insurance or contractual indemnity, it could materially adversely affect our financial position, results of operations or cash flows. Additionally, there can be no assurance that those parties with contractual obligations to indemnify us will necessarily be financially able to indemnify us against all these risks.

We carry protection and indemnity insurance covering marine third party liability exposures, which also includes coverage for employer s liability resulting from personal injury to our offshore drilling crews. Our protection and indemnity policy currently has a standard deductible of $10 million per occurrence, with maximum liability coverage of $750 million.

In connection with our capital expenditure program, we had outstanding commitments, including shipyard and purchase commitments of approximately $2.8 billion at December 31, 2012.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

We have entered into agreements with certain of our executive officers, as well as certain other employees. These agreements become effective upon a change of control of Noble-Swiss (within the meaning set forth in the agreements) or a termination of employment in connection with or in anticipation of a change of control, and remain effective for three years thereafter. These agreements provide for compensation and certain other benefits under such circumstances.

Nigerian Operations

During the fourth quarter of 2007, our Nigerian subsidiary received letters from the Nigerian Maritime Administration and Safety Agency (NIMASA) seeking to collect a 2 percent surcharge on contract amounts under contracts performed by vessels, within the meaning of Nigeria s cabotage laws, engaged in the Nigerian coastal shipping trade. Although we do not believe that these laws apply to our ownership of drilling units, NIMASA is seeking to apply a provision of the Nigerian cabotage laws (which became effective on May 1, 2004) to our offshore drilling units by considering these units to be vessels within the meaning of those laws and therefore subject to the surcharge, which is imposed only upon vessels. Our offshore drilling units are not engaged in the Nigerian coastal shipping trade and are not in our view vessels within the meaning of Nigeria s cabotage laws. In January 2008, we filed an originating summons against NIMASA and the Minister of Transportation in the Federal High Court of Lagos, Nigeria seeking, among other things, a declaration that our drilling operations do not constitute coastal trade or cabotage within the meaning of Nigeria s cabotage laws and that our offshore drilling units are not vessels within the meaning of those laws. In February 2009, NIMASA filed suit against us in the Federal High Court of Nigeria seeking collection of the cabotage surcharge. In August 2009, the court issued a favorable ruling in response to our originating summons stating that drilling operations do not fall within the cabotage laws and that drilling rigs are not vessels for purposes of those laws. The court also issued an injunction against the defendants prohibiting their interference with our drilling rigs or drilling operations. NIMASA has appealed the court s ruling, although the court dismissed NIMASA s lawsuit filed against us in February 2009. We intend to take all further appropriate legal action to resist the application of Nigeria s cabotage laws to our drilling units. The outcome of any such legal action and the extent to which we may ultimately be responsible for the surcharge is uncertain. If it is ultimately determined that offshore drilling units constitute vessels within the meaning of the Nigerian cabotage laws, we may be required to pay the surcharge and comply with other aspects of the Nigerian cabotage laws, which could adversely affect our operations in Nigerian waters and require us to incur additional costs of compliance.

NIMASA had previously informed the Nigerian Content Division of its position that we were not in compliance with the cabotage laws. The Nigerian Content Division makes determinations of companies compliance with applicable local content regulations for purposes of government contracting, including contracting for services in connection with oil and gas concessions where the Nigerian national oil company is a partner. The Nigerian Content Division had previously barred us from participating in new tenders as a result of NIMASA s allegations, although the Division reversed its actions based on the favorable Federal High Court ruling. However, no assurance can be given with respect to our ability to bid for future work in Nigeria until our dispute with NIMASA is resolved.

In 2007, we began, and voluntarily contacted the U.S. Securities and Exchange Commission (SEC) and the DOJ to advise them of an internal investigation of the legality under the United States Foreign Corrupt Practices Act (FCPA) and local laws of certain reimbursement payments made by our Nigerian affiliate to our customs agents in Nigeria. In 2010, we finalized settlements of this matter with each of the SEC and the DOJ. Pursuant to these settlements, we agreed to pay fines and penalties to the DOJ and the SEC and to certain undertakings, including refraining from violating the FCPA and other anti-corruption laws, self-reporting any violations of the FCPA or such laws to the DOJ and reporting to the DOJ on an annual basis our progress on anti-corruption compliance matters. Our ability to comply with the terms of the settlements is dependent on the success of our ongoing compliance program, including our ability to continue to manage our agents and supervise, train and retain competent employees, and the efforts of our employees to comply with applicable law and our code of business conduct and ethics.

In January 2011, the Nigerian Economic and Financial Crimes Commission and the Nigerian Attorney General Office initiated an investigation into these same activities. A subsidiary of Noble-Swiss resolved this matter through the execution of a non-prosecution agreement dated January 28, 2011. Pursuant to this agreement, the subsidiary paid $2.5 million to resolve all charges and claims of the Nigerian government.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Any additional investigation by these or other agencies could damage our reputation and result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and might adversely affect our business, results of operations or financial condition. Further, resolving any additional investigations could be expensive and consume significant time and attention of our senior management.

Under the Nigerian Industrial Training Fund Act of 2004, as amended, (the Act), Nigerian companies with five or more employees must contribute annually 1 percent of their payroll to the Industrial Training Fund (ITF) established under the Act to be used for the training of Nigerian nationals with a view towards generating a pool of indigenously trained manpower. We have not paid this amount on our expatriate workers employed by our non-Nigerian employment entity in the past as we did not believe the contribution obligation was applicable to them. In October 2012, we received a demand from the ITF for payments going back to 2004 and associated penalties in respect of these expatriate employees. We do not believe that we owe the amount claimed and that, in the event we were to have any liability, it would not have a material adverse effect on our financial position or cash flows. We continue to investigate the matter and have also had discussions with the ITF to resolve the issue.

Note 17- Segment and Related Information

We report our contract drilling operations as a single reportable segment, Contract Drilling Services, which reflects how we manage our business, and the fact that all of our drilling fleet is dependent upon the worldwide oil industry. The mobile offshore drilling units comprising our offshore rig fleet operate in a single, global market for contract drilling services and are often redeployed globally due to changing demands of our customers, which consist largely of major non-U.S. and government owned/controlled oil and gas companies throughout the world. Our contract drilling services segment conducts contract drilling operations in U.S. Gulf of Mexico and Alaska, Mexico, Brazil, the North Sea, the Mediterranean, West Africa, the Middle East, India, Australia and the Asian Pacific.

The accounting policies of our reportable segment are the same as those described in the summary of significant accounting policies (see Note 1). We evaluate the performance of our operating segment based on revenues from external customers and segment profit. Summarized financial information of our reportable segment for the years ended December 31, 2012, 2011 and 2010 is shown in the following table. The Other column includes results of labor contract drilling services in Canada and Alaska, as well as corporate related items. The consolidated financial statements of Noble-Swiss include the accounts of Noble-Cayman, and Noble-Swiss conducts substantially all of its business through Noble-Cayman and its subsidiaries. As a result, the summarized financial information for Noble-Cayman is substantially the same as Noble-Swiss.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

	Contract Drilling Services	Other	Total
2012			
Revenues from external customers	$ 3,462,583	$ 84,429	$ 3,547,012
Depreciation and amortization	745,027	13,594	758,621
Segment operating income	772,007	11,793	783,800
Interest expense, net of amount capitalized	(394)	(85,369)	(85,763)
Income tax (provision)/ benefit	(163,346)	16,258	(147,088)
Segment profit/ (loss)	580,468	(58,124)	522,344
Total assets (at end of period)	13,971,189	636,585	14,607,774
2011			
Revenues from external customers	$ 2,634,911	$ 60,921	$ 2,695,832
Depreciation and amortization	647,142	11,498	658,640
Segment operating income	477,920	12,573	490,493
Interest expense, net of amount capitalized	(1,959)	(53,768)	(55,727)
Income tax (provision)/ benefit	(80,317)	7,692	(72,625)
Segment profit/ (loss)	406,112	(35,214)	370,898
Total assets (at end of period)	13,028,751	466,408	13,495,159
2010			
Revenues from external customers	$ 2,771,784	$ 35,392	$ 2,807,176
Depreciation and amortization	528,011	11,818	539,829
Segment operating income/ (loss)	918,205	(2,125)	916,080
Interest expense, net of amount capitalized	(1,123)	(8,334)	(9,457)
Income tax (provision)/ benefit	(144,220)	1,143	(143,077)
Segment profit/ (loss)	779,609	(6,180)	773,429

89

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

The following table presents revenues and identifiable assets by country based on the location of the service provided:

	Revenues Year Ended December 31,			Identifiable Assets As of December 31,	
	2012	2011	2010	2012	2011
United States	$ 1,061,255	$ 524,750	$ 550,683	$ 5,259,294	$ 5,205,343
Australia	42,353			635,171	
Bahrain	15,726	4,252		17,254	20,282
Brunei		35,574	49,487		
Brazil	714,798	572,015	527,678	3,851,387	3,785,412
Cameroon		17,029	21,991	9,220	62,465
Canada	38,709	39,186	35,292	13,952	12,398
China (1)				552,721	321,352
Congo	3,376			53,793	
Cyprus	4,962	32,713			
Denmark	14,119			21,999	
Egypt	103,380	11,261			180,570
Gabon	3,035			63,859	
India	58,355	102,432	108,190	216,686	111,103
Israel	118,485	25,566		203,442	229,725
Libya		4,378	75,390		
Malta	35,776	44,713		165,297	
Mexico	329,896	402,129	553,209	537,931	746,592
Morocco		43,228			
New Zealand	9,563	68,153			
Nigeria	149,082	58,501	135,096	65,340	77,442
Oman	35,400	4,607		72,637	84,726
Philippines	4,460	6,472			
Qatar	78,047	132,917	158,107	94,151	136,136
Saudi Arabia	220,657	96,655		654,551	659,634
Singapore (1)			32,212	586,510	494,578
South Korea (1)				858,909	651,266
Switzerland (2)				37,432	35,839
The Netherlands	210,598	220,489	317,530	95,465	159,053
Togo	7,359				
United Arab Emirates	79,945	84,253	56,388	190,440	156,953
United Kingdom	207,667	164,559	185,821	350,333	364,290
Other	9		102		
Total	$ 3,547,012	$ 2,695,832	$ 2,807,176	$ 14,607,774	$ 13,495,159

(1) China, Singapore and South Korea consist primarily of asset values for newbuild rigs under construction in shipyards.
(2) Switzerland assets consist of general corporate assets, which generate no external revenue for the Company.

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 18 Supplemental Cash Flow Information (Noble-Swiss)

The net effect of changes in other assets and liabilities on cash flows from operating activities is as follows:

	December 31,		
	2012	2011	2010
Accounts receivable	$ (143,010)	$ (283,268)	$ 343,844
Other current assets	(43,246)	(51,409)	(77,090)
Other assets	(385)	(23,821)	(18,054)
Accounts payable	28,565	(12,502)	(43,938)
Other current liabilities	108,385	72,861	97,041
Other liabilities	80,431	87,737	28,317
	$ 30,740	**$ (210,402)**	**$ 330,120**

Additional cash flow information is as follows:

	Year Ended December 31,		
	2012	2011	2010
Cash paid during the period for:			
Interest, net of amounts capitalized	$ 56,144	$ 46,180	$ 4,044
Income taxes (net of refunds)	$ 148,612	$ 128,162	$ 194,423

Note 19 Supplemental Cash Flow Information (Noble-Cayman)

The net effect of changes in other assets and liabilities on cash flows from operating activities is as follows:

	December 31,		
	2012	2011	2010
Accounts receivable	$ (143,010)	$ (283,268)	$ 343,844
Other current assets	(44,632)	(49,044)	(75,737)
Other assets	(385)	(26,800)	(17,967)
Accounts payable	28,289	(12,524)	(44,105)
Other current liabilities	108,425	67,238	90,864
Other liabilities	80,432	87,711	28,258
	$ 29,119	**$ (216,687)**	**$ 325,157**

Additional cash flow information is as follows:

	Year Ended December 31,		
	2012	2011	2010
Cash paid during the period for:			
Interest, net of amounts capitalized	$ 56,144	$ 46,180	$ 4,044
Income taxes (net of refunds)	$ 148,612	$ 128,162	$ 194,423

Note 20- Other Financial Information

The following are Swiss statutory disclosure requirements:

(i) Expenses

Total personnel expenses amounted to $699 million, $746 million and $649 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Table of Contents

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

(ii) Fire Insurance

Total fire insurance values of property and equipment amounted to $13.1 billion and $12.2 billion at December 31, 2012 and 2011, respectively.

(iii) Risk assessment and Management

The Board of Directors, together with the management of Noble, is responsible for assessing risks related to the financial reporting process and for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Noble s consolidated financial statements for external purposes in accordance with GAAP.

The Board, operating through its Audit Committee composed entirely of directors who are not officers or employees of the Company, is responsible for oversight of the financial reporting process and safeguarding of assets against unauthorized acquisition, use, or disposition. The Audit Committee meets with management, the independent registered public accountants and the internal auditor; approves the overall scope of audit work and related fee arrangements; and reviews audit reports and findings. In addition, the independent registered public accountants and the internal auditor meet separately with the Audit Committee, without management representatives present, to discuss the results of their audits; the adequacy of the Company s internal control; the quality of its financial reporting; and the safeguarding of assets against unauthorized acquisition, use, or disposition.

Note 21- Information about Noble-Cayman

Guarantees of Registered Securities

Noble-Cayman, or one or more wholly-owned subsidiaries of Noble-Cayman, are a co-issuer or full and unconditional guarantor or otherwise obligated as of December 31, 2012 as follows:

Notes	Issuer (Co-Issuer(s))	Guarantor(s)
$300 million 5.875% Senior Notes due 2013	Noble-Cayman	NDC
		NHIL
$250 million 7.375% Senior Notes due 2014	NHIL	Noble-Cayman
$350 million 3.45% Senior Notes due 2015	NHIL	Noble-Cayman
$300 million 3.05% Senior Notes due 2016	NHIL	Noble-Cayman
$300 million 2.50% Senior Notes due 2017	NHIL	Noble-Cayman
$202 million 7.50% Senior Notes due 2019	NDC;	Noble-Cayman;
	Noble Drilling Services 6 LLC (NDS6)	Noble Holding (U.S.) Corporation (NHC);
		Noble Drilling Holding LLC (NDH)
$500 million 4.90% Senior Notes due 2020	NHIL	Noble-Cayman
$400 million 4.625% Senior Notes due 2021	NHIL	Noble-Cayman
$400 million 3.95% Senior Notes due 2022	NHIL	Noble-Cayman
$400 million 6.20% Senior Notes due 2040	NHIL	Noble-Cayman
$400 million 6.05% Senior Notes due 2041	NHIL	Noble-Cayman
$500 million 5.25% Senior Notes due 2042	NHIL	Noble-Cayman

The following consolidating financial statements of Noble-Cayman, NHC and NDH combined, NDC, NHIL, NDS6 and all other subsidiaries present investments in both consolidated and unconsolidated affiliates using the equity method of accounting.

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2012

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
ASSETS								
Current assets								
Cash and cash equivalents	$ 1,003	$ 904	$	$ 2	$	$ 275,466	$	$ 277,375
Accounts receivable		14,885	3,335			725,453		743,673
Taxes receivable		8,341				103,969		112,310
Prepaid expenses		396	9			40,827		41,232
Short-term notes receivable from affiliates		119,476			586,769	252,138	(958,383)	
Accounts receivable from affiliates	664,375	140,014	1,015,204	526,483	38,895	5,855,066	(8,240,037)	
Other current assets	235	639	196			121,579		122,649
Total current assets	665,613	284,655	1,018,744	526,485	625,664	7,374,498	(9,198,420)	1,297,239
Property and equipment, at cost		2,735,223	76,428			14,123,496		16,935,147
Accumulated depreciation		(283,028)	(58,411)			(3,597,079)		(3,938,518)
Property and equipment, net		2,452,195	18,017			10,526,417		12,996,629
Notes receivable from affiliates	3,816,463	1,206,000		3,524,814	479,107	2,171,875	(11,198,259)	
Investments in affiliates	7,770,066	9,170,923	3,386,879	7,413,361	1,977,906		(29,719,135)	
Other assets	5,798	320	543	25,895	759	243,243		276,558
Total assets	$ 12,257,940	$ 13,114,093	$ 4,424,183	$ 11,490,555	$ 3,083,436	$ 20,316,033	$ (50,115,814)	$ 14,570,426
LIABILITIES AND EQUITY								
Current liabilities								
Short-term notes payables from affiliates	$ 90,314	$ 51,054	$ 110,770	$	$	$ 706,245	$ (958,383)	$
Accounts payable		6,522	1,183			341,889		349,594
Accrued payroll and related costs		6,176	7,611			110,149		123,936
Accounts payable to affiliates	900,063	4,806,235	5,444	165,065	77,075	2,286,155	(8,240,037)	
Taxes payable		9,152				121,692		130,844
Interest payable	1,594			62,430	4,412			68,436
Other current liabilities			240			158,259		158,499
Total current liabilities	991,971	4,879,139	125,248	227,495	81,487	3,724,389	(9,198,420)	831,309
Long-term debt	639,794			3,792,886	201,695			4,634,375
Notes payable to affiliates	2,840,287	648,475		975,000	1,342,000	5,392,497	(11,198,259)	
Deferred income taxes			15,731			210,314		226,045
Other liabilities	19,930	17,815				309,870		347,615
Total liabilities	4,491,982	5,545,429	140,979	4,995,381	1,625,182	9,637,070	(20,396,679)	6,039,344

Commitments and contingencies								
Total shareholder equity	7,765,958	7,568,664	4,283,204	6,495,174	1,458,254	9,913,839	(29,719,135)	7,765,958
Noncontrolling interest						765,124		765,124
Total equity	7,765,958	7,568,664	4,283,204	6,495,174	1,458,254	10,678,963	(29,719,135)	8,531,082
Total liabilities and equity	$ 12,257,940	$ 13,114,093	$ 4,424,183	$ 11,490,555	$ 3,083,436	$ 20,316,033	$ (50,115,814)	$ 14,570,426

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2011

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
ASSETS								
Current assets								
Cash and cash equivalents	$ 146	$ 385	$	$	$	$ 234,525	$	$ 235,056
Accounts receivable		10,810	3,371			572,982		587,163
Taxes receivable		4,566				70,718		75,284
Prepaid expenses		453	19			32,633		33,105
Short-term notes receivable from affiliates		119,476				122,298	(241,774)	
Accounts receivable from affiliates	1,683,740	99,202	879,581	159,132	33,905	6,372,657	(9,228,217)	
Other current assets		643	196	93		119,177		120,109
Total current assets	1,683,886	235,535	883,167	159,225	33,905	7,524,990	(9,469,991)	1,050,717
Property and equipment, at cost		2,734,437	74,752			12,597,973		15,407,162
Accumulated depreciation		(229,294)	(54,350)			(3,022,113)		(3,305,757)
Property and equipment, net		2,505,143	20,402			9,575,860		12,101,405
Notes receivable from affiliates	3,842,062	675,000		2,336,527	572,107	2,678,192	(10,103,888)	
Investments in affiliates	6,969,201	9,101,938	3,450,212	6,605,771	2,141,450		(28,268,572)	
Other assets	3,230	473	483	18,548	880	281,669		305,283
Total assets	$ 12,498,379	$ 12,518,089	$ 4,354,264	$ 9,120,071	$ 2,748,342	$ 20,060,711	$ (47,842,451)	$ 13,457,405
LIABILITIES AND EQUITY								
Current liabilities								
Short-term notes payables from affiliates	$ 72,298	$ 50,000	$	$	$	$ 119,476	$ (241,774)	$
Accounts payable		5,577	985			429,167		435,729
Accrued payroll and related costs		2,897	6,518			99,493		108,908
Accounts payable to affiliates	2,079,719	4,166,021	27,341	112,953	34,107	2,808,076	(9,228,217)	
Taxes payable		10,032				81,158		91,190
Interest payable	1,891			48,116	4,412			54,419
Other current liabilities			240			123,159		123,399
Total current liabilities	2,153,908	4,234,527	35,084	161,069	38,519	3,660,529	(9,469,991)	813,645
Long-term debt	1,274,949			2,595,320	201,695			4,071,964
Notes payable to affiliates	1,667,291	1,147,500	85,000	975,000	811,000	5,418,097	(10,103,888)	
Deferred income taxes			15,731			227,060		242,791
Other liabilities	19,929	24,878				210,565		255,372
Total liabilities	5,116,077	5,406,905	135,815	3,731,389	1,051,214	9,516,251	(19,573,879)	5,383,772

Commitments and contingencies								
Total shareholder equity	7,382,302	7,111,184	4,218,449	5,388,682	1,697,128	9,853,129	(28,268,572)	7,382,302
Noncontrolling interest						691,331		691,331
Total equity	7,382,302	7,111,184	4,218,449	5,388,682	1,697,128	10,544,460	(28,268,572)	8,073,633
Total liabilities and equity	$ 12,498,379	$ 12,518,089	$ 4,354,264	$ 9,120,071	$ 2,748,342	$ 20,060,711	$ (47,842,451)	$ 13,457,405

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF INCOME

Year Ended December 31, 2012

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Operating revenues								
Contract drilling services	$	$ 161,577	$ 20,033	$	$	$ 3,246,332	$ (78,580)	$ 3,349,362
Reimbursables		6,637				108,858		115,495
Labor contract drilling services						81,890		81,890
Other						1,196	(931)	265
Total operating revenues		168,214	20,033			3,438,276	(79,511)	3,547,012
Operating costs and expenses								
Contract drilling services	2,646	63,025	7,476	82,736		1,684,593	(79,511)	1,760,965
Reimbursables		5,886				88,210		94,096
Labor contract drilling services						46,895		46,895
Depreciation and amortization		60,738	4,526			691,425		756,689
Selling, general and administrative	3,036	7,786		35,606	1	12,937		59,366
Loss on impairment						20,384		20,384
Gain on contract settlements/extinguishments, net		(4,869)				(28,386)		(33,255)
Total operating costs and expenses	5,682	132,566	12,002	118,342	1	2,516,058	(79,511)	2,705,140
Operating income (loss)	(5,682)	35,648	8,031	(118,342)	(1)	922,218		841,872
Other income (expense)								
Equity earnings in affiliates, net of tax	684,446	472,509	110,820	807,590	(184,163)		(1,891,202)	
Interest expense, net of amounts capitalized	(105,147)	(44,055)	(3,892)	(120,361)	(43,090)	(663,076)	893,858	(85,763)
Interest income and other, net	7,306	40,845	8	135,001	594,328	121,065	(893,858)	4,695
Income before income taxes	580,923	504,947	114,967	703,888	367,074	380,207	(1,891,202)	760,804
Income tax provision		(46,644)				(99,444)		(146,088)
Net Income	580,923	458,303	114,967	703,888	367,074	280,763	(1,891,202)	614,716
Net income attributable to noncontrolling interests						(33,793)		(33,793)
Net income attributable to Noble Corporation	580,923	458,303	114,967	703,888	367,074	246,970	(1,891,202)	580,923
Other comprehensive loss, net	(41,128)					(41,128)	41,128	(41,128)
Comprehensive income attributable to Noble Corporation	$ 539,795	$ 458,303	$ 114,967	$ 703,888	$ 367,074	$ 205,842	$ (1,850,074)	$ 539,795

95

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF INCOME

Year Ended December 31, 2011

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Operating revenues								
Contract drilling services	$	$ 134,602	$ 19,913	$	$	$ 2,466,701	$ (64,458)	$ 2,556,758
Reimbursables		4,351	12			74,832		79,195
Labor contract drilling services		4				59,000		59,004
Other						875		875
Total operating revenues		138,957	19,925			2,601,408	(64,458)	2,695,832
Operating costs and expenses								
Contract drilling services	3,038	46,305	7,478	59,865		1,319,187	(64,458)	1,371,415
Reimbursables		4,125				54,314		58,439
Labor contract drilling services						33,885		33,885
Depreciation and amortization		50,462	3,767			602,976		657,205
Selling, general and administrative	1,242	5,025	1	33,355	1	17,163		56,787
Gain on contract settlements/extinguishments, net						(21,202)		(21,202)
Total operating costs and expenses	4,280	105,917	11,246	93,220	1	2,006,323	(64,458)	2,156,529
Operating income (loss)	(4,280)	33,040	8,679	(93,220)	(1)	595,085		539,303
Other income (expense)								
Equity earnings in affiliates, net of tax	488,735	296,751	64,626	579,730	328,443		(1,758,285)	
Interest expense, net of amounts capitalized	(69,180)	(61,271)	(6,110)	(88,396)	(29,050)	(38,778)	237,058	(55,727)
Interest income and other, net	6,768	26,291	(11)	63,607	8,709	134,174	(237,058)	2,480
Income before income taxes	422,043	294,811	67,184	461,721	308,101	690,481	(1,758,285)	486,056
Income tax provision		(14,933)				(56,353)		(71,286)
Net Income	422,043	279,878	67,184	461,721	308,101	634,128	(1,758,285)	414,770
Net loss attributable to noncontrolling interests						7,273		7,273
Net income attributable to Noble Corporation	422,043	279,878	67,184	461,721	308,101	641,401	(1,758,285)	422,043
Other comprehensive loss, net	(24,101)					(24,101)	24,101	(24,101)
Noncontrolling portion of gain on interest rate swaps	183					183	(183)	183
Comprehensive income attributable to Noble Corporation	$ 398,125	$ 279,878	$ 67,184	$ 461,721	$ 308,101	$ 617,483	$ (1,734,367)	$ 398,125

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF INCOME

Year Ended December 31, 2010

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Operating revenues								
Contract drilling services	$	$ 94,027	$ 17,942	$	$	$ 2,621,424	$ (37,900)	$ 2,695,493
Reimbursables		1,483	71			75,277		76,831
Labor contract drilling services						32,520		32,520
Other		78				2,254		2,332
Total operating revenues		95,588	18,013			2,731,475	(37,900)	2,807,176
Operating costs and expenses								
Contract drilling services	24,103	40,994	6,363	42,932		1,096,309	(37,900)	1,172,801
Reimbursables		1,641	66			57,707		59,414
Labor contract drilling services						22,056		22,056
Depreciation and amortization		37,324	3,449			498,231		539,004
Selling, general and administrative	7,979	4,674	2	30,210	1	12,702		55,568
Total operating costs and expenses	32,082	84,633	9,880	73,142	1	1,687,005	(37,900)	1,848,843
Operating income (loss)	(32,082)	10,955	8,133	(73,142)	(1)	1,044,470		958,333
Other income (expense)								
Equity earnings in affiliates, net of tax	870,322	620,747	24,898	1,040,110	407,435		(2,963,512)	
Interest expense, net of amounts capitalized	(29,459)	(65,056)	(7,375)	(43,988)	(7,956)	(1,888)	146,265	(9,457)
Interest income and other, net	6,753	28,452	3	19,980	9,416	90,188	(146,265)	8,527
Income before income taxes	815,534	595,098	25,659	942,960	408,894	1,132,770	(2,963,512)	957,403
Income tax provision		(32,878)				(108,988)		(141,866)
Net Income	815,534	562,220	25,659	942,960	408,894	1,023,782	(2,963,512)	815,537
Net income attributable to noncontrolling interests						(3)		(3)
Net income attributable to Noble Corporation	815,534	562,220	25,659	942,960	408,894	1,023,779	(2,963,512)	815,534
Other comprehensive income, net	4,661					4,661	(4,661)	4,661
Noncontrolling portion of loss on interest rate swaps	(183)					(183)	183	(183)
Comprehensive income attributable to Noble Corporation	$ 820,012	$ 562,220	$ 25,659	$ 942,960	$ 408,894	$ 1,028,257	$ (2,967,990)	$ 820,012

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2012

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Cash flows from operating activities								
Net cash from operating activities	$ (86,784)	$ 35,177	$ 9,950	$ (96,642)	$ 551,358	$ 1,007,568	$	$ 1,420,627
Cash flows from investing activities								
New construction and capital expenditures		(682,477)	(2,106)			(1,103,971)		(1,788,554)
Notes receivable from affiliates				(1,188,287)			1,188,287	
Net cash from investing activities		(682,477)	(2,106)	(1,188,287)		(1,103,971)	1,188,287	(1,788,554)
Cash flows from financing activities								
Net change in borrowings on bank credit facilities	(635,192)							(635,192)
Proceeds from issuance of senior notes, net				1,186,636				1,186,636
Contributions from joint venture partners						40,000		40,000
Financing cost on credit facilities	(5,221)							(5,221)
Distributions to parent company, net	(175,977)							(175,977)
Advances (to) from affiliates	(284,256)	647,819	(7,844)	98,295	(551,358)	97,344		
Notes payable to affiliates	1,188,287						(1,188,287)	
Net cash from financing activities	87,641	647,819	(7,844)	1,284,931	(551,358)	137,344	(1,188,287)	410,246
Net change in cash and cash equivalents	857	519		2		40,941		42,319
Cash and cash equivalents, beginning of period	146	385				234,525		235,056
Cash and cash equivalents, end of period	$ 1,003	$ 904	$	$ 2	$	$ 275,466	$	$ 277,375

98

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2011

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Cash flows from operating activities								
Net cash from operating activities	$ (48,906)	$ 17,107	$ (5,616)	$ (109,171)	$ (20,222)	$ 937,295	$	$ 770,487
Cash flows from investing activities								
New construction and capital expenditures		(1,495,056)	(1,380)			(1,038,460)		(2,534,896)
Notes receivable from affiliates	20,000			(1,096,927)		172,302	904,625	
Refund from contract extinguishments						18,642		18,642
Net cash from investing activities	20,000	(1,495,056)	(1,380)	(1,096,927)		(847,516)	904,625	(2,516,254)
Cash flows from financing activities								
Net change in borrowings on bank credit facilities	935,000							935,000
Proceeds from issuance of senior notes, net				1,087,833				1,087,833
Contributions from joint venture partners						536,000		536,000
Payments of joint venture debt						(693,494)		(693,494)
Settlement of interest rate swaps						(29,032)		(29,032)
Financing cost on credit facilities	(2,835)							(2,835)
Distributions to parent company, net	(186,048)							(186,048)
Advances (to) from affiliates	(597,305)	1,495,688	41,996	118,265	20,222	(1,078,866)		
Notes payable to affiliates	(119,802)	(17,500)	(35,000)			1,076,927	(904,625)	
Net cash from financing activities	29,010	1,478,188	6,996	1,206,098	20,222	(188,465)	(904,625)	1,647,424
Net change in cash and cash equivalents	104	239				(98,686)		(98,343)
Cash and cash equivalents, beginning of period	42	146				333,211		333,399
Cash and cash equivalents, end of period	$ 146	$ 385	$	$	$	$ 234,525	$	$ 235,056

Table of Contents

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

(in thousands)

	Noble-Cayman	NHC and NDH Combined	NDC	NHIL	NDS6	Other Non-guarantor Subsidiaries of Noble	Consolidating Adjustments	Total
Cash flows from operating activities								
Net cash from operating activities	$ (33,316)	$ (9,331)	$ 2,701	$ (80,151)	$ 1,581	$ 1,777,409	$	$ 1,658,893
Cash flows from investing activities								
New construction and capital expenditures		(566,503)	(1,575)			(697,918)		(1,265,996)
Notes receivable from affiliates				(1,239,600)		(490,000)	1,729,600	
Acquisition of FDR Holdings, Ltd., net of cash acquired	(1,629,644)							(1,629,644)
Net cash from investing activities	(1,629,644)	(566,503)	(1,575)	(1,239,600)		(1,187,918)	1,729,600	(2,895,640)
Cash flows from financing activities								
Net change in borrowings on bank credit facilities	40,000							40,000
Proceeds from issuance of senior notes, net				1,238,074				1,238,074
Contributions from joint venture partners						35,000		35,000
Settlement of interest rate swaps						(6,186)		(6,186)
Distributions to parent company, net	(462,967)							(462,967)
Advances (to) from affiliates	356,366	575,712	(1,126)	81,677	(1,581)	(1,011,048)		
Notes payable to affiliates	1,729,600						(1,729,600)	
Net cash from financing activities	1,662,999	575,712	(1,126)	1,319,751	(1,581)	(982,234)	(1,729,600)	843,921
Net change in cash and cash equivalents	39	(122)				(392,743)		(392,826)
Cash and cash equivalents, beginning of period	3	268				725,954		726,225
Cash and cash equivalents, end of period	$ 42	$ 146	$	$	$	$ 333,211	$	$ 333,399

NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

NOBLE CORPORATION (NOBLE-CAYMAN) AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, dollar amounts in tables are in thousands, except per share data)

Note 22 - Unaudited Interim Financial Data

Unaudited interim consolidated financial information for the years ended December 31, 2012 and 2011 is as follows:

	Quarter Ended			
	Mar. 31	**Jun. 30**	**Sep. 30**	**Dec. 31**
2012				
Operating revenues	$ 797,690	$ 898,923	$ 884,032	$ 966,367
Operating income	143,643	244,495	178,924	216,738
Net Income attributable to Noble Corporation	120,175	159,818	114,774	127,577
Net income per share attributable to Noble Corporation (1)				
Basic	0.47	0.63	0.45	0.50
Diluted	0.47	0.63	0.45	0.50

	Quarter Ended			
	Mar. 31	**Jun. 30**	**Sep. 30**	**Dec. 31**
2011				
Operating revenues	$ 578,888	$ 627,997	$ 737,902	$ 751,045
Operating income	86,264	79,045	163,582	161,602
Net Income attributable to Noble Corporation	54,495	54,083	135,317	127,003
Net income per share attributable to Noble Corporation (1)				
Basic	0.22	0.21	0.53	0.50
Diluted	0.21	0.21	0.53	0.50

(1) Net income per share is computed independently for each of the quarters presented. Therefore, the sum of the quarters net income per share may not equal the total computed for the year.

Table of Contents

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

David W. Williams, Chairman, President and Chief Executive Officer of Noble Corporation, a Swiss corporation (Noble-Swiss), and James A. MacLennan, Senior Vice President and Chief Financial Officer of Noble-Swiss, have evaluated the disclosure controls and procedures of Noble-Swiss as of the end of the period covered by this report. On the basis of this evaluation, Mr. Williams and Mr. MacLennan have concluded that Noble-Swiss disclosure controls and procedures were effective as of December 31, 2012. Noble-Swiss disclosure controls and procedures are designed to ensure that information required to be disclosed by Noble-Swiss in the reports that it files with or submits to the SEC are recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

David W. Williams, President and Chief Executive Officer of Noble Corporation, a Cayman Islands company (Noble-Cayman), and Dennis J. Lubojacky, Vice President and Chief Financial Officer of Noble-Cayman, have evaluated the disclosure controls and procedures of Noble-Cayman as of the end of the period covered by this report. On the basis of this evaluation, Mr. Williams and Mr. Lubojacky have concluded that Noble-Cayman s disclosure controls and procedures were effective as of December 31, 2012. Noble-Cayman s disclosure controls and procedures are designed to ensure that information required to be disclosed by Noble-Cayman in the reports that it files with or submits to the SEC are recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in either Noble-Swiss or Noble-Cayman s internal control over financial reporting that occurred during the quarter ended December 31, 2012 that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of each of Noble-Swiss or Noble-Cayman.

Management s Annual Report on Internal Control Over Financial Reporting

The management of Noble-Swiss and Noble-Cayman is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the U.S. Securities Exchange Act of 1934, as amended.

Internal control over financial reporting includes the controls themselves, monitoring (including internal auditing practices), and actions taken to correct deficiencies as identified. There are inherent limitations to the effectiveness of internal control over financial reporting, however well designed, including the possibility of human error and the possible circumvention or overriding of controls. The design of an internal control system is also based in part upon assumptions and judgments made by management about the likelihood of future events, and there can be no assurance that an internal control will be effective under all potential future conditions. As a result, even an effective system of internal controls can provide no more than reasonable assurance with respect to the fair presentation of financial statements and the processes under which they were prepared.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the management of Noble-Swiss and Noble-Cayman assessment, both Noble-Swiss and Noble-Cayman maintained effective internal control over financial reporting as of December 31, 2012.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited our financial statements included in this Annual Report on Form 10-K, has audited the effectiveness of internal control over financial reporting as of December 31, 2012 as stated in their report, which is provided in this Annual Report on Form 10-K.

Table of Contents

Item 9B. Other Information.
None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.
The sections entitled Election of Directors , Additional Information Regarding the Board of Directors , Section 16(a) Beneficial Ownership Reporting Compliance , and Other Matters appearing in the proxy statement for the 2013 annual general meeting of shareholders (the 2013 Proxy Statement), will set forth certain information with respect to directors, certain corporate governance matters and reporting under Section 16(a) of the Securities Exchange Act of 1934, and are incorporated in this report by reference.

Executive Officers of the Registrant

The following table sets forth certain information as of February 25, 2013 with respect to our executive officers:

Name	Age	Position
David W. Williams	55	Chairman, President and Chief Executive Officer
Julie J. Robertson	57	Executive Vice President and Corporate Secretary
James A. MacLennan	53	Senior Vice President and Chief Financial Officer
William E. Turcotte	49	Senior Vice President and General Counsel
Roger B. Hunt	63	Senior Vice President Marketing and Contracts
Lee M. Ahlstrom	45	Senior Vice President Strategic Development
Scott W. Marks	53	Senior Vice President Engineering
Bernie G. Wolford	53	Senior Vice President Operations
Dennis J. Lubojacky	60	Vice President and Controller

David W. Williams was named Chairman, President and Chief Executive Officer effective January 2, 2008. Mr. Williams served as Senior Vice President Business Development of Noble Drilling Services Inc. from September 2006 to January 2007, as Senior Vice President Operations of Noble Drilling Services Inc. from January to April 2007, and as Senior Vice President and Chief Operating Officer of Noble from April 2007 to January 2, 2008. Prior to September 2006, Mr. Williams served for more than five years as Executive Vice President of Diamond Offshore Drilling, Inc., an offshore oil and gas drilling contractor.

Julie J. Robertson was named Executive Vice President effective February 10, 2006. In this role, Ms. Robertson is responsible for overseeing human resources, procurement and supply chain, learning and development, health, safety and environmental functions, and information technology. Ms. Robertson served as Senior Vice President Administration from July 2001 to February 10, 2006. Ms. Robertson has served continuously as Corporate Secretary since December 1993. Ms. Robertson served as Vice President Administration of Noble Drilling from 1996 to July 2001. In 1994, Ms. Robertson became Vice President Administration of Noble Drilling Services Inc. From 1989 to 1994, Ms. Robertson served consecutively as Manager of Benefits and Director of Human Resources for Noble Drilling Services Inc. Prior to 1989, Ms. Robertson served consecutively in the positions of Risk and Benefits Manager and Marketing Services Coordinator for a predecessor subsidiary of Noble, beginning in 1979.

Table of Contents

James A. MacLennan was named Senior Vice President and Chief Financial Officer effective January 9, 2012. Prior to joining Noble, Mr. MacLennan served as Chief Financial Officer and Corporate Secretary of Ennis Traffic Safety Solutions, a leading producer of pavement marking materials, from January 2011 to December 2011. From June 2010 to January 2011, Mr. MacLennan did not hold a principal employment. Mr. MacLennan served as Executive Vice President and Chief Financial Officer of Lodgian, Inc., a publicly-traded independent owner and operator of hotels in the United States from March 2006 until Lodgian was acquired by and merged into Lone Star Funds in May 2010. Prior to joining Lodgian, Mr. MacLennan was Chief Financial Officer and Treasurer of Theragenics Corporation, a New York Stock Exchange-listed company that manufactures medical devices. Previously, Mr. MacLennan was Executive Vice President and Chief Financial Officer of Lanier Worldwide, Inc., a publicly-traded technical products company. Mr. MacLennan spent much of his early career in financial positions of increasing responsibility in the oil and gas industry, most notably with Exxon Corporation and later with Noble Corporation. Mr. MacLennan is a Chartered Accountant.

William E. Turcotte was named Senior Vice President and General Counsel effective December 16, 2008. Prior to joining Noble, Mr. Turcotte served as Senior Vice President, General Counsel and Corporate Secretary of Cornell Companies, Inc., a private corrections company, since March 2007. He served as Vice President, Associate General Counsel and Assistant Secretary of Transocean, Inc., an offshore oil and gas drilling contractor, from October 2005 to March 2007 and as Associate General Counsel and Assistant Secretary from January 2000 to October 2005. From 1992 to 2000, Mr. Turcotte served in various legal positions with Schlumberger Limited in Houston, Caracas and Paris. Mr. Turcotte was in private practice prior to joining Schlumberger.

Roger B. Hunt was named Senior Vice President Marketing and Contracts effective July 20, 2009. Prior to joining Noble, Mr. Hunt served as Senior Vice President Marketing at GlobalSantaFe Corporation, an offshore oil and gas drilling contractor, from 1997 to 2007. In that capacity, Mr. Hunt was responsible for marketing and pricing strategy, sales and contract activities for the company s fleet of 57 offshore drilling units. Mr. Hunt did not hold a principal employment from December 2007 to July 2009.

Lee M. Ahlstrom was named Senior Vice President Strategic Development effective May 5, 2011. Mr. Ahlstrom served as Vice President of Investor Relations and Planning from May 2006 to May 2011. Prior to joining Noble, Mr. Ahlstrom served as Director of Investor Relations at Burlington Resources, held various management positions at UNOCAL Corporation and served as an Engagement Manager with McKinsey & Company.

Scott W. Marks was named Senior Vice President Engineering effective January 2007. Mr. Marks served as Vice President Project Management and Construction from August 2006 to January 2007, as Vice President Support Engineering from September 2005 to August 2006 and as Director of Engineering from January 2003 to September 2005. Mr. Marks has been with Noble since 1991, serving as a Project Manager and as a Drilling Superintendent prior to 2003.

Bernie G. Wolford was named Senior Vice President Operations effective February 6, 2012. Mr. Wolford served as Vice President Operational Excellence from March 2010 to February 2012. From January 2003 until March 2010, Mr. Wolford was self-employed. During that time, he provided consulting services to Noble as a contractor on the construction of the *Noble Dave Beard* from March 2009 to December 2009. He also supported the operations of Mass Technology Corp., an independent downstream refining and storage company, as a significant shareholder of that company, from February 2007 to February 2009. Mr. Wolford began his career in the offshore drilling industry with Transworld Drilling in 1981, which was acquired by Noble in 1991. From 1981 through December 2002, he served in various roles in engineering, project management and operations with Transworld and Noble.

Dennis J. Lubojacky was named Vice President and Controller effective April 27, 2012. In this position, Mr. Lubojacky also serves as principal accounting officer of Noble-Swiss. Since February 2010, Mr. Lubojacky has also served as Vice President and Chief Financial Officer of Noble-Cayman. Mr. Lubojacky has also served as Vice President and Controller of a subsidiary of Noble-Swiss from July 2007 through October 2011 and from January 2012 until his new appointment. Mr. Lubojacky served as principal financial officer and principal accounting officer of Noble Corporation from October 2011 through January 2012. From April 2006 to June 2007, he served as Controller and Chief Accounting Officer of TODCO, a public oil and gas contract drilling company. Mr. Lubojacky is a Certified Public Accountant.

We have adopted a Code of Business Conduct and Ethics that applies to directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Business Conduct and Ethics is posted on our website at http://www.noblecorp.com in the Governance area. Changes to and waivers granted with respect to our Code of Business Conduct and Ethics related to the officers identified above, and our other executive officers and directors, that we are required to disclose pursuant to applicable rules and regulations of the SEC will also be posted on our website.

Table of Contents

Item 11. Executive Compensation.

The sections entitled Executive Compensation and Compensation Committee Report appearing in the 2013 Proxy Statement set forth certain information with respect to the compensation of our management and our compensation committee report, and are incorporated in this report by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The sections entitled Equity Compensation Plan Information , Security Ownership of Certain Beneficial Owners and Security Ownership of Management appearing in the 2013 Proxy Statement set forth certain information with respect to securities authorized for issuance under equity compensation plans and the ownership of our voting securities and equity securities, and are incorporated in this report by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The sections entitled Additional Information Regarding the Board of Directors Board Independence and Policies and Procedures Relating to Transactions with Related Persons appearing in the 2013 Proxy Statement set forth certain information with respect to director independence and transactions with related persons, and are incorporated in this report by reference.

Item 14. Principal Accounting Fees and Services.

The section entitled Auditors appearing in the 2013 Proxy Statement sets forth certain information with respect to accounting fees and services, and is incorporated in this report by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as part of this report:

(1) A list of the financial statements filed as a part of this report is set forth in Item 8 on page 46 and is incorporated herein by reference.

(2) Financial Statement Schedules:

All schedules are omitted because they are either not applicable or required information is shown in the financial statements or notes thereto.

(3) Exhibits:

The information required by this Item 15(a)(3) is set forth in the Index to Exhibits accompanying this Annual Report on Form 10-K and is incorporated herein by reference.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOBLE CORPORATION, a Swiss Corporation

Date: February 25, 2013

By: /s/ DAVID W. WILLIAMS

David W. Williams
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity In Which Signed	Date
/s/ DAVID W. WILLIAMS David W. Williams	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 25, 2013
/s/ JAMES A. MACLENNAN James A. MacLennan	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 25, 2013
/s/ MICHAEL A. CAWLEY Michael A. Cawley	Director	February 25, 2013
/s/ LAWRENCE J. CHAZEN Lawrence J. Chazen	Director	February 25, 2013
/s/ JULIE H. EDWARDS Julie H. Edwards	Director	February 25, 2013
/s/ GORDON T. HALL Gordon T. Hall	Director	February 25, 2013
/s/ JACK E. LITTLE Jack E. Little	Director	February 25, 2013
/s/ JON A. MARSHALL Jon A. Marshall	Director	February 25, 2013
/s/ MARY P. RICCIARDELLO Mary P. Ricciardello	Director	February 25, 2013

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOBLE CORPORATION, a Cayman Islands company

Date: February 25, 2013

By: /s/ DAVID W. WILLIAMS
David W. Williams
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity In Which Signed	Date
/s/ DAVID W. WILLIAMS David W. Williams	President, Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2013
/s/ DENNIS J. LUBOJACKY Dennis J. Lubojacky	Vice President, Chief Financial Officer and Director (Principal Financial Officer)	February 25, 2013
/s/ ALAN P. DUNCAN Alan P. Duncan	Director	February 25, 2013
/s/ DAVID M.J. DUJACQUIER David M.J. Dujacquier	Director	February 25, 2013
/s/ ALAN R. HAY Alan R. Hay	Director	February 25, 2013

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Exhibit
2.1	Agreement and Plan of Merger, Reorganization and Consolidation, dated as of December 19, 2008, among Noble Corporation, a Swiss corporation (Noble-Swiss), Noble Corporation, a Cayman Islands company (Noble-Cayman), and Noble Cayman Acquisition Ltd. (filed as Exhibit 1.1 to Noble-Cayman s Current Report on Form 8-K filed on December 22, 2008 and incorporated herein by reference).
2.2	Amendment No. 1 to Agreement and Plan of Merger, Reorganization and Consolidation, dated as of February 4, 2009, among Noble-Swiss, Noble-Cayman and Noble Cayman Acquisition Ltd. (filed as Exhibit 2.2 to Noble-Cayman s Current Report on Form 8-K filed on February 4, 2009 and incorporated herein by reference).
3.1	Articles of Association of Noble-Swiss (filed as Exhibit 3.1 to Noble-Swiss Quarterly Report on Form 10-Q filed on August 6, 2012 and incorporated herein by reference).
3.2	By-laws of Noble-Swiss (filed as Exhibit 3.2 to Noble-Swiss Current Report on Form 8-K filed on March 27, 2009 and incorporated herein by reference).
3.3	Memorandum and Articles of Association of Noble-Cayman (filed as Exhibit 3.1 to Noble-Cayman s Current Report on Form 8-K filed on March 30, 2009 and incorporated herein by reference).
4.1	Indenture dated as of March 1, 1999, between Noble Drilling Corporation and JP Morgan Chase Bank, National Association (formerly Chase Bank of Texas, National Association), as trustee (filed as Exhibit 4.1 to the Form 8-K of Noble Drilling Corporation filed on March 23, 1999 and incorporated herein by reference).
4.2	Supplemental Indenture dated as of March 16, 1999, between Noble Drilling Corporation and JP Morgan Chase Bank, National Association (formerly Chase Bank of Texas, National Association), as trustee, relating to 7.50% senior notes due 2019 of Noble Drilling Corporation (filed as Exhibit 4.2 to Noble Drilling Corporation s Form 8-K filed on March 23, 1999 and incorporated herein by reference).
4.3	Second Supplemental Indenture, dated as of April 30, 2002, between Noble Drilling Corporation, Noble Holding (U.S.) Corporation and Noble Corporation, and JP Morgan Chase Bank, National Association, as trustee, relating to 7.50% senior notes due 2019 of Noble Drilling Corporation (filed as Exhibit 4.6 to the Noble-Cayman Quarterly Report on Form 10-Q for the three-month period ended March 31, 2002 and incorporated herein by reference).
4.4	Third Supplemental Indenture, dated as of December 20, 2005, between Noble Drilling Corporation, Noble Drilling Holding LLC, Noble Holding (U.S.) Corporation and Noble Corporation and JP Morgan Chase Bank, National Association, as trustee, relating to 7.50% senior notes due 2019 of Noble Drilling Corporation (filed as Exhibit 4.14 to Noble-Cayman s Registration Statement on Form S-3 (No. 333-131885) and incorporated herein by reference).
4.5	Fourth Supplemental Indenture, dated as of September 25, 2009, among Noble Drilling Corporation, as Issuer, Noble Drilling Holding LLC, as Co-Issuer, Noble Drilling Services 1 LLC, as Co-Issuer, Noble Holding (U.S.) Corporation, as Guarantor, Noble-Cayman, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (relating to Noble Drilling Corporation 7.50% Senior Notes due 2019) (filed as Exhibit 4.1 to Noble-Swiss Form 8-K filed on October 1, 2009 and incorporated herein by reference).

4.6 Fifth Supplemental Indenture, dated as of October 1, 2009, among Noble Drilling Corporation, as Issuer, Noble Drilling Holding LLC, as Co-Issuer, Noble Drilling Services 6 LLC, as Co-Issuer, Noble Holding (U.S.) Corporation, as Guarantor, Noble-Cayman, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (relating to Noble Drilling Corporation 7.50% Senior Notes due 2019) (filed as Exhibit 4.2 to Noble-Swiss Form 8-K filed on October 1, 2009 and incorporated herein by reference).

4.7 Indenture, dated as of May 26, 2006, between Noble Corporation, as Issuer, and JPMorgan Chase Bank, National Association, as trustee (filed as Exhibit 4.1 to Noble-Cayman s Current Report on Form 8-K filed on May 26, 2006 and incorporated herein by reference).

4.8 First Supplemental Indenture, dated as of May 26, 2006, between Noble Corporation, as Issuer, Noble Drilling Corporation, as Guarantor, and JP Morgan Chase Bank, National Association, as trustee, relating to 5.875% senior notes due 2013 of Noble Corporation (filed as Exhibit 4.2 to the Noble-Cayman s Current Report on Form 8-K filed on May 26, 2006 and incorporated herein by reference).

4.9 Second Supplemental Indenture, dated as of October 1, 2009, among Noble-Cayman, as Issuer, Noble Drilling Corporation, as Guarantor, Noble Holding International Limited, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (relating to Noble-Cayman s 5.875% Senior Notes due 2013) (filed as Exhibit 4.3 to Noble-Swiss Form 8-K filed on October 1, 2009 and incorporated herein by reference).

4.10 Revolving Credit Agreement dated as of February 11, 2011 among Noble Corporation, a Cayman Islands company; the Lenders from time to time parties thereto; Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and an Issuing Bank; Barclays Capital, a division of Barclays Bank PLC, and HSBC Securities (USA) Inc., as Co-Syndication Agents; and Wells Fargo Securities, LLC, Barclays Capital, a division of Barclays Bank PLC, and HSBC Securities (USA) Inc., as Joint Lead Arrangers and Joint Lead Bookrunners (filed as Exhibit 4.1 to Noble-Cayman s Current Report on Form 8-K filed on February 17, 2011 and incorporated by reference herein).

4.11 First Amendment to Revolving Credit Agreement dated as of March 11, 2011 among Noble Corporation, a Cayman Islands company; the Lenders from time to time parties thereto; Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and an Issuing Bank; Barclays Capital, a division of Barclays Bank PLC and HSBC Securities (USA) Inc., as Co-Syndication Agents; and Wells Fargo Securities, LLC, Barclays Capital, a division of Barclays Bank PLC, and HSBC Securities (USA) Inc., as Joint Lead Arrangers and Joint Lead Bookrunners (filed as Exhibit 4.2 to Noble-Swiss Quarterly Report on Form 10-Q filed on May 6, 2011 and incorporated by reference herein).

4.12 Second Amendment to Revolving Credit Agreement dated as of January 11, 2013 among Noble Corporation, a Cayman Islands company; the Lenders from time to time parties thereto; Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and an Issuing Bank; Barclays Capital, a division of Barclays Bank PLC and HSBC Securities (USA) Inc., as Co-Syndication Agents; and Wells Fargo Securities, LLC, Barclays Capital, a division of Barclays Bank PLC, and HSBC Securities (USA) Inc., as Joint Lead Arrangers and Joint Lead Bookrunners.

4.13 Indenture, dated as of November 21, 2008, between Noble Holding International Limited, as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee (filed as Exhibit 4.1 to Noble-Cayman s Current Report on Form 8-K filed on November 21, 2008 and incorporated herein by reference).

4.14 First Supplemental Indenture, dated as of November 21, 2008, among Noble Holding International Limited, as Issuer, Noble Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to 7.375% senior notes due 2014 of Noble Holding International Limited (filed as Exhibit 4.2 to Noble-Cayman s Current Report on Form 8-K filed on November 21, 2008 and incorporated herein by reference).

4.15	Second Supplemental Indenture, dated as of July 26, 2010, among Noble Holding International Limited, as Issuer, Noble Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to 3.45% senior notes due 2015 of Noble Holding International Limited, 4.90% senior notes due 2020 of Noble Holding International Limited, and 6.20% senior notes due 2040 of Noble Holding International Limited (filed as Exhibit 4.2 to Noble-Cayman s Current Report on Form 8-K filed on July 26, 2010 and incorporated herein by reference).
4.16	Third Supplemental Indenture, dated as of February 3, 2011, among Noble Holding International Limited, as Issuer, Noble Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to 3.05% senior notes due 2016 of Noble Holding International Limited, 4.625% senior notes due 2021 of Noble Holding International Limited, and 6.05% senior notes due 2041 of Noble Holding International Limited (filed as Exhibit 4.1 to Noble-Cayman s Current Report on Form 8-K filed on February 3, 2011 and incorporated herein by reference).
4.17	Fourth Supplemental Indenture, dated as of February 10, 2012, among Noble Holding International Limited, as Issuer, Noble Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to 2.5% senior notes due 2017 of Noble Holding International Limited, 3.95% senior notes due 2022 of Noble Holding International Limited, and 5.25% senior notes due 2042 of Noble Holding International Limited (filed as Exhibit 4.2 to Noble-Cayman s Current Report on Form 8-K filed on February 13, 2012 and incorporated herein by reference).
4.18	Revolving Credit Agreement dated as of June 8, 2012 among Noble Corporation, a Cayman Islands company; the Lenders from time to time parties thereto; Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and an Issuing Bank; SunTrust Bank, as Syndication Agent; Barclays Bank PLC, HSBC Securities (USA) Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents; and Wells Fargo Securities, LLC, SunTrust Robinson Humphrey, Inc., Barclays Bank PLC, HSBC Securities (USA) Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Joint Lead Arrangers and Joint Lead Bookrunners (filed as Exhibit 4.1 to Noble-Swiss Current Report on Form 8-K filed on June 11, 2012 and incorporated by reference herein).
4.19	Guaranty Agreement dated as of June 8, 2012, between Noble Drilling Corporation, a Delaware corporation, and Wells Fargo Bank, National Association (filed as Exhibit 4.2 to Noble-Swiss Current Report on Form 8-K filed on June 11, 2012 and incorporated herein by reference).
4.20	Guaranty Agreement dated as of June 8, 2012, between Noble Holding International Limited, a Cayman Islands company, and Wells Fargo Bank, National Association (filed as Exhibit 4.3 to Noble-Swiss Current Report on Form 8-K filed on June 11, 2012 and incorporated herein by reference).
10.1*	Noble Drilling Corporation Equity Compensation Plan for Non-Employee Directors (filed as Exhibit 4.1 to Noble Drilling Corporation s Registration Statement on Form S-8 (No. 333-17407) dated December 6, 1996 and incorporated herein by reference).
10.2*	Amendment, effective as of May 1, 2002, to the Noble Drilling Corporation Equity Compensation Plan for Non-Employee Directors (filed as Exhibit 10.1 to Post-Effective Amendment No. 1 to Noble-Cayman s Registration Statement on Form S-8 (No. 333-17407) and incorporated herein by reference).
10.3*	Amendment No. 2 to the Noble Corporation Equity Compensation Plan for Non-Employee Directors dated February 4, 2005 (filed as Exhibit 10.20 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2004 and incorporated herein by reference).

Table of Contents

10.4*	Amendment to the Noble Corporation Equity Compensation Plan for Non-Employee Directors dated December 31, 2008 (filed as Exhibit 10.29 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.5*	Amended and Restated Noble Corporation Equity Compensation Plan for Non-Employee Directors effective March 27, 2009 (filed as Exhibit 10.5 to Noble-Swiss Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).
10.6*	Noble Drilling Corporation 401(k) Savings Restoration Plan (filed as Exhibit 10.1 to Noble Drilling Corporation s Registration Statement on Form S-8 dated January 18, 2001 (No. 333-53912) and incorporated herein by reference).
10.7*	Amendment No. 1 to the Noble Drilling Corporation 401(k) Savings Restoration Plan (filed as Exhibit 10.1 to Post-Effective Amendment No. 1 to Noble-Cayman s Registration Statement on Form S-8 (No. 333-53912) and incorporated herein by reference).
10.8*	Amendment No. 2 to the Noble Drilling Corporation 401(k) Savings Restoration Plan dated February 25, 2003 (filed as Exhibit 10.30 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
10.9*	Amendment No. 3 to the Noble Drilling Corporation 401(k) Savings Restoration Plan dated March 9, 2005 (filed as Exhibit 10.31 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
10.10*	Amendment No. 4 to the Noble Drilling Corporation 401(k) Savings Restoration Plan dated March 30, 2007 (filed as Exhibit 10.41 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference).
10.11*	Amendment No. 5 to the Noble Drilling Corporation 401(k) Savings Restoration Plan effective May 1, 2010 (filed as Exhibit 10.11 to Noble-Swiss Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).
10.12*	Noble Drilling Corporation Retirement Restoration Plan dated April 27, 1995 (filed as Exhibit 10.2 to Noble Drilling Corporation s Quarterly Report on Form 10-Q for the three-month period ended March 31, 1995 and incorporated herein by reference).
10.13*	Amendment No. 1 to the Noble Drilling Corporation Retirement Restoration Plan dated January 29, 1998 (filed as Exhibit 10.18 to Noble Drilling Corporation s Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
10.14*	Amendment No. 2 to the Noble Drilling Corporation Retirement Restoration Plan dated June 28, 2004, effective as of July 1, 2004 (filed as Exhibit 10.32 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).
10.15*	Noble Drilling Corporation Retirement Restoration Plan dated December 29, 2008, effective January 1, 2009 (filed as Exhibit 10.32 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.16*	Amendment No. 1 to Noble Drilling Corporation Retirement Restoration Plan dated July 10, 2009 (filed as Exhibit 10.16 to Noble-Swiss Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).
10.17*	Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Restricted Share Plan for Non-Employee Directors dated February 4, 2005 (filed as Exhibit 10.21 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2004 and incorporated herein by reference).

10.18*	Second Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors (filed as Exhibit 10.2 to Noble-Cayman s Quarterly Report on Form 10-Q for the three-month period ended September 25, 2007 and incorporated herein by reference).
10.19*	Amendment to the Second Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors dated December 31, 2008 (filed as Exhibit 10.28 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.20*	Third Amendment to Second Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors effective March 27, 2009 (filed as Exhibit 10.20 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).
10.21*	Fourth Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors effective February 1, 2013 (filed as Exhibit 10.1 to Noble-Swiss Current Report on Form 8-K filed on February 5, 2013 and incorporated herein by reference).
10.22*	Composite copy of the Noble Corporation 1991 Stock Option and Restricted Stock Plan dated as of February 6, 2010 (filed as Exhibit 10.18 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference).
10.23*	Third Amendment to the Noble Corporation 1991 Stock Option and Restricted Stock Plan, effective as of February 3, 2012 (filed as Exhibit 10.2 to Noble-Cayman s Current Report on Form 8-K filed on February 7, 2012 and incorporated herein by reference).
10.24*	Amended and Restated 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.2 to Noble-Cayman s Current Report on Form 8-K filed on April 30, 2012 and incorporated herein by reference).
10.25*	Noble Drilling Corporation 2009 401(k) Savings Restoration Plan effective January 1, 2009 (filed as Exhibit 10.31 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.26*	Amendment No. 1 to the Noble Drilling Corporation 2009 401(k) Savings Restoration Plan effective May 1, 2010 (filed as Exhibit 10.23 to Noble-Swiss Annual Report on Form 10-K for the year ended December 31, 2010 and incorporated herein by reference).
10.27*	Noble Corporation Summary of Directors Compensation.
10.28*	Form of Noble Corporation Performance-Vested Restricted Stock Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.34 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.29*	Form of Noble Corporation Time-Vested Restricted Stock Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.35 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).
10.30*	Form of Noble Corporation Nonqualified Stock Option Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.36 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).

10.31* Form of Noble Corporation Restricted Stock Agreement under the Amended and Restated Noble Corporation 1992 Nonqualified Stock Option and Share Plan for Non-Employee Directors (filed as Exhibit 10.37 to Noble-Cayman s Annual Report on Form 10-K for the year ended December 31, 2008 and incorporated herein by reference).

10.32* Form of Noble Corporation Performance-Vested Restricted Stock Unit Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.1 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference).

10.33* Form of Noble Corporation Time-Vested Restricted Stock Unit Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.2 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference).

10.34* Form of Noble Corporation Nonqualified Stock Option Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.3 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and incorporated herein by reference).

10.35* Form of Noble Corporation Performance-Vested Restricted Stock Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.2 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 and incorporated herein by reference).

10.36* Form of Noble Corporation Time-Vested Restricted Stock Unit Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.2 to Noble-Cayman s Current Report on Form 8-K filed on January 13, 2012 and incorporated herein by reference).

10.37* Form of Noble Corporation Nonqualified Stock Option Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.3 to Noble-Cayman s Current Report on Form 8-K filed on January 13, 2012 and incorporated herein by reference).

10.38* Form of Noble Corporation Performance-Vested Restricted Stock Unit Agreement under the Noble Corporation 1991 Stock Option and Restricted Stock Plan (filed as Exhibit 10.7 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 and incorporated herein by reference).

10.39* Form of Noble Corporation Performance-Vested Restricted Stock Unit Agreement under the Noble Corporation 1991

Stock Option and Restricted Stock Plan.

10.40* Noble Corporation 2012 Short Term Incentive Plan (filed as Exhibit 10.6 to Noble-Cayman s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 and incorporated herein by reference).

10.41* Noble Corporation 2013 Short Term Incentive Plan.

10.42* Form of Employment Agreement and Guaranty Agreement (filed as Exhibit 10.1 to Noble-Swiss Current Report on Form 8-K filed on December 4, 2009 and incorporated herein by reference).

10.43* Form of Employment Agreement and Guaranty Agreement (filed as Exhibit 10.1 to Noble-Cayman s Current Report on Form 8-K filed on January 13, 2012 and incorporated herein by reference).

10.44*	Form of Employment Agreement and Guaranty Agreement (filed as Exhibit 10.1 to Noble-Cayman s Current Report on Form 8-K filed on February 7, 2012 and incorporated herein by reference).
10.45*	Form of Commercial Paper Dealer Agreement dated as of September 19, 2012 between Noble Corporation, a Cayman Islands company, Noble Holding International Limited, a Cayman Islands company, Noble Drilling Corporation, a Delaware corporation, and certain investment banks (filed as Exhibit 10.1 to Noble-Swiss Current Report on Form 8-K filed on September 19, 2012 and incorporated herein by reference).
10.46*	Form of Issuing and Paying Agent Agreement dated as of September 19, 2012 between Noble Corporation, a Cayman Islands company, and the Issuing and Paying Agent (filed as Exhibit 10.2 to Noble-Swiss Current Report on Form 8-K filed on September 19, 2012 and incorporated herein by reference).
21.1	Subsidiaries of Noble-Swiss and Noble-Cayman.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of PricewaterhouseCoopers LLP.
31.1	Certification of David W. Williams pursuant to SEC Rule 13a-14(a) or Rule 15d-14(a).
31.2	Certification of James A. MacLennan pursuant to SEC Rule 13a-14(a) or Rule 15d-14(a).
31.3	Certification of Dennis J. Lubojacky pursuant to SEC Rule 13a-14(a) or Rule 15d-14(a).
32.1+	Certification of David W. Williams pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of James A. MacLennan pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3+	Certification of Dennis J. Lubojacky pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101+	Interactive data files

* Management contract or compensatory plan or arrangement.
\+ Furnished in accordance with Item 601(b)(32)(ii) of Regulation S-K.