

# Noble Corp

**S&P Recommendation** **STRONG BUY** ★★★★★

**Price**  
\$74.24 (as of Mar 16, 2007)

**12-Mo. Target Price**  
\$97.00

**Investment Style**  
Large-Cap Growth

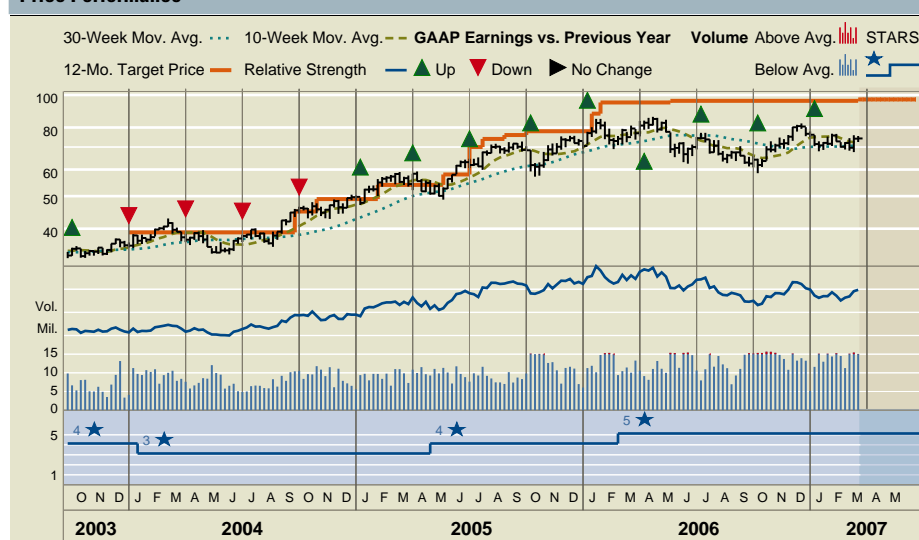
**GICS Sector** Energy  
**Sub-Industry** Oil & Gas Drilling

**Summary** This company principally provides contract drilling services for the oil and gas industry worldwide.

**Key Stock Statistics** (Source S&P, Vickers, company reports)

52-Wk Range	<b>\$86.16–58.51</b>	S&P Oper. EPS 2007E	<b>9.45</b>	P/E on S&P Oper. EPS 2007E	<b>7.9</b>	Dividend Rate/Share	<b>\$0.16</b>
Trailing 12-Month EPS	<b>\$5.33</b>	S&P Oper. EPS 2008E	<b>12.95</b>	Common Shares Outstg. (M)	<b>134.5</b>	Yield (%)	<b>0.22</b>
Trailing 12-Month P/E	<b>13.9</b>	S&P Core EPS 2007E	<b>9.42</b>	Market Capitalization(B)	<b>\$9.985</b>	Beta	<b>0.86</b>
\$10K Invested 5 Yrs Ago	<b>\$18,988</b>	S&P Core EPS 2008E	<b>12.92</b>	Institutional Ownership (%)	<b>85</b>	S&P Credit Rating	<b>A-</b>

**Price Performance**



**Qualitative Risk Assessment**

<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>
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Our risk assessment reflects NE's exposure to volatile crude oil and natural gas prices, capital spending decisions made by its oil and gas producing customers, and political risk associated with operating in frontier regions. Offsetting these risks is the company's strong historical financial performance relative to peers.

**Quantitative Evaluations**

**S&P Quality Ranking** **B**

D	C	B-	<b>B</b>	B+	A-	A	A+
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**Relative Strength Rank** **STRONG**

<b>74</b>	
LOWEST = 1	HIGHEST = 99

**Revenue/Earnings Data**

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2006	461.9	517.5	562.0	558.8	2,100
2005	310.3	344.0	367.2	360.6	1,382
2004	245.4	253.0	265.6	302.2	1,066
2003	245.0	247.9	254.7	239.8	987.4
2002	235.5	247.4	234.7	251.1	986.4
2001	222.4	246.7	272.8	260.5	1,002

Earnings Per Share (\$)	2006	2005	2004	2003	2002	2001
2006	1.05	1.30	1.51	1.47	5.33	
2005	0.33	0.53	0.55	0.73	2.16	
2004	0.21	0.26	0.23	0.39	1.09	
2003	0.30	0.33	0.40	0.23	1.25	
2002	0.39	0.43	0.37	0.39	1.57	
2001	0.40	0.50	0.58	0.48	1.97	

Fiscal year ended Dec. 31. Next earnings report expected: Mid April. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.040	04/26	05/04	05/08	06/01/06
0.040	07/28	08/07	08/09	09/01/06
0.040	10/27	11/06	11/08	12/01/06
0.040	02/02	02/12	02/14	03/01/07

Dividends have been paid since 2005. Source: Company reports.

Analysis prepared by **Stewart Glickman, CFA** on March 15, 2007, when the stock traded at **\$ 74.15**.

**Highlights**

- As of late January, NE had the vast majority of 2007 operating days contracted, but had only a modest majority contracted for 2008, and about a third of available operating days committed for 2009. We project NE's jackup fleet to generate an average dayrate of \$117,000 in 2007, up about 30% over the fourth quarter of 2006, and to rise a further 25% in 2008. We see NE's semi-submersible fleet generating average dayrates of about \$268,000 in 2007, rising to about \$312,000 in 2008. The company has four jackups in Mexico, and four more in the North Sea, that will be coming off contract in 2007, and we think NE will be able to generate pricing improvements.
- All told, we estimate total revenue growth of 47% in 2007, largely due to projected contract drilling revenue gains, with operating margins in the low 50% range (versus 44% in 2006). For 2008, we see revenue growth of 29%, with operating margins in the high 50% range.
- We see EPS of \$9.45 in 2007, rising to \$12.95 in 2008. On a Standard & Poor's Core EPS basis, we project \$9.42 and \$12.92, respectively, with divergence from operating EPS estimates reflecting pension adjustments.

**Investment Rationale/Risk**

- With all of its 41 active jackups located in international waters, we think NE is well insulated from recent weakness in U.S. Gulf of Mexico dayrates. Although 10 of these 41 rigs are located in Mexico (and therefore are potentially at risk of being adversely affected by U.S. dayrate weakness), NE recently recontracted six of the 10 rigs at very attractive dayrates, in our opinion. About 63% of NE's rigs have some form of cost escalation protection.
- Risks to our recommendation and target price include reduced rig dayrates; higher than expected unscheduled shipyard repair days; and decreased oil and natural gas prices.
- Our net asset valuation, based on our estimates of daily operating margins for 10 years and 3% growth thereafter, discounted at a weighted average cost of capital of 9.5%, indicates an intrinsic value of approximately \$95. We think the shares merit a premium to peers, given NE's strong historical financial performance. Assuming multiples of 7X 2007 EBITDA and 9X estimated 2007 cash flow (both premiums to peers), and blending with our net asset value model, our 12-month target price is \$97.

**Noble Corp****Business Summary** March 15, 2007

**CORPORATE OVERVIEW.** In April 2002, Noble Drilling Corp. shareholders approved a corporate restructuring that effectively changed the company's place of incorporation from Delaware to the Cayman Islands. The restructuring was completed April 30, 2002, upon the merger of an indirect subsidiary of Noble Corp., a newly formed Cayman Islands company, with Noble Drilling. Noble Corp. (NE) became the parent holding company of Noble Drilling and the other companies in the Noble corporate group.

NE provides contract drilling services in offshore markets worldwide. The company has a fleet of 63 offshore drilling rigs. Company owned rigs include floating deepwater units, including 13 semisubmersibles and three dynamically positioned drillships, 44 independent leg, cantilever jackup rigs (including three under construction), and three submersibles. As of January 2007, approximately 85% of the fleet was deployed in international markets, mainly in the Middle East, Mexico, the North Sea, Brazil, West Africa, and India. Contract drilling operations accounted for 92% of total revenues in 2006.

Within contract drilling operations, international activity accounted for 72% of revenues in 2006. PEMEX accounted for 12% of total revenues in 2006; no other customer comprised more than 10% of revenues.

In 2006, average utilization for NE's international fleet was flat at 97%, while U.S. utilization rose to 92%, from 91%. Dayrates for the international fleet rose to \$83,417, from \$60,922, while for the U.S. fleet, dayrates rose to \$178,684, from \$74,056.

**CORPORATE STRATEGY.** NE has focused on increasing the number of rigs in its fleet capable of deepwater offshore drilling. It intends to expand international and offshore deepwater drilling capabilities through acquisitions, rig upgrades and modifications, and via the redeployment of assets. A key to the company's deepwater strategy is the Noble EVA-4000 semisubmersible conversion program. The EVA-4000 is a proprietary design through which NE has converted submersible drilling rigs into ultra-deepwater semisubmersibles. The company believes the EVA-4000 program completes the conversion at a lower cost and more rapidly than new construction.

During 2005, the company executed long-term contracts for three ultra-deepwater semisubmersibles -- the Noble Clyde Boudreaux, the Noble Dave Beard, and the Noble Danny Adkins. The company also signed contracts to construct three new independent leg cantilevered jackups -- the Noble Roger Lewis, the Noble Hans Deul, and the Noble Scott Marks. The three newbuild rigs were signed to multi-year contracts with oil and gas producers, and are expected to be delivered in mid-2007, early 2008 and early 2009, respectively.

**IMPACT OF MAJOR DEVELOPMENTS.** In 2005, certain of the company's rigs in the U.S. Gulf of Mexico were damaged by Hurricanes Katrina and Rita. As a result, the company recorded a \$20 million charge, net of insurance recoveries, for the non-reimbursable portion of these damages. In addition, NE recorded approximately \$49.8 million in loss-of-hire insurance proceeds, which it expects to recover from insurance underwriters for its Noble EVA-4000 semisubmersibles that suffered downtime attributed to these events (the Noble Jim Thompson, Noble Max Smith, Noble Paul Romano and Noble Amos Runner). In addition, the company recorded lost revenue of about \$9.0 million in 2005 due to the impact of Hurricane Rita on rigs that did not carry loss-of-hire insurance.

**FINANCIAL TRENDS.** In a peer group of eight offshore drillers in our coverage universe, NE has historically been at or near the top on a variety of long-term measures of financial performance. Over the 10 years from 1997 through 2006, NE ranked second in EBIT margin and first in net margin. In addition, NE ranked first in average return on equity (12.5%, versus a peer average of 9.2%), and first in average return on assets (8.4%, versus a peer average of 5.8%).

**Corporate Information****Investor Contact**

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**Fax**

281-491-2092.

**Website**<http://www.noblecorp.com>**Officers****Chrmn**

J.C. Day

**Pres, CEO & COO**

M.A. Jackson

**EVP & Secy**

J.J. Robertson

**SVP, CFO, Treas & Cntrl**

T.L. Mitchell

**SVP & General Counsel**

R.D. Campbell

**Board of Directors**

M. A. Cawley

L. J. Chazen

L. R. Corbett

J. C. Day

J. H. Edwards

M. A. Jackson

M. E. Leland

J. E. Little

M. P. Ricciardello

W. A. Sears

**Domicile**

Cayman Islands

**Auditor**

Pricewaterhousecoopers

**Founded**

1939

**Employees**

5,600

**Stockholders**

1,608

# Noble Corp

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	5	1	2	3	4	5
		LOWEST		HIGHEST		

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

<b>Fair Value Calculation</b>	<b>\$173.80</b>	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that NE is Undervalued by \$99.56 or 134.1%.
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<b>Investability Quotient Percentile</b>	<b>99</b>	LOWEST = 1 HIGHEST = 100
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NE scored higher than 99% of all companies for which an S&P Report is available.

<b>Volatility</b>	LOW	AVERAGE	HIGH
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NE has had Average price volatility over the past year.

<b>Technical Evaluation</b>	<b>NEUTRAL</b>	Since March, 2007, the technical indicators for NE have been NEUTRAL.
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<b>Insider Activity</b>	UNFAVORABLE	NEUTRAL	FAVORABLE
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## Expanded Ratio Analysis

	2006	2005	2004	2003
Price/Revenue	4.98	7.02	6.26	4.82
Price/EBITDA	8.94	16.59	16.83	13.01
Price/Pretax Income	11.36	26.65	41.22	25.45
Price/Net Income	14.29	32.71	45.66	28.60
Avg. Diluted Shares Outstg (M)	137.4	137.6	134.1	133.0

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	51.96	28.71	14.66	10.21
Net Income	NM	67.39	18.75	9.74

## Ratio Analysis (Annual Avg.)

Net Margin (%)	34.85	23.34	21.62	20.81
LTD of Capitalization (%)	16.59	20.16	20.04	23.10
Return on Equity (%)	24.56	14.19	12.33	12.09

## Company Financials

Per Share Data (\$) Year Ended Dec. 31	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Tangible Book Value	23.92	19.93	17.74	16.31	14.90	13.44	11.80	10.60	10.00	8.77
Cash Flow	7.32	3.93	2.64	2.36	2.51	2.85	2.04	1.39	1.77	2.56
Earnings	5.33	2.16	1.09	1.25	1.57	1.97	1.22	0.72	1.23	1.98
Dividends	0.16	0.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	3%	5%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	86.16	75.63	50.54	38.40	45.95	54.00	53.50	32.88	34.69	38.19
Prices:Low	58.51	47.04	33.53	30.46	27.00	20.80	27.25	12.00	10.75	15.50
P/E Ratio:High	16	35	46	31	29	27	44	46	28	19
P/E Ratio:Low	11	22	31	24	17	11	22	17	9	8

## Income Statement Analysis (Million \$)

Revenue	2,100	1,382	1,066	987	986	1,002	883	706	788	713
Operating Income	1,170	585	396	366	400	503	379	245	301	261
Depreciation, Depletion and Amortization	253	242	209	148	125	119	111	89.0	72.0	77.9
Interest Expense	16.2	19.8	34.4	40.3	42.6	47.8	54.6	33.2	5.20	12.9
Pretax Income	921	364	162	187	243	350	226	124	231	380
Effective Tax Rate	20.6%	18.5%	9.72%	11.0%	13.9%	24.6%	26.8%	24.3%	29.8%	30.5%
Net Income	732	297	146	166	210	264	166	95.3	162	264

## Balance Sheet & Other Financial Data (Million \$)

Cash	61.7	166	58.8	139	274	288	177	137	217	66.4
Current Assets	570	522	425	422	466	494	379	291	438	265
Total Assets	4,586	4,346	3,308	3,190	3,066	2,751	2,596	2,432	2,179	1,506
Current Liabilities	426	259	214	244	281	208	205	233	350	153
Long Term Debt	684	1,129	503	542	590	550	650	731	461	138
Common Equity	3,229	2,732	2,384	2,178	1,989	1,778	1,577	1,398	1,310	1,149
Total Capital	4,126	4,097	3,086	2,927	2,779	2,526	2,372	2,197	1,828	1,351
Capital Expenditures	1,053	434	261	307	268	134	125	422	541	391
Cash Flow	985	538	355	315	335	382	276	184	234	342
Current Ratio	1.3	2.0	2.0	1.7	1.7	2.4	1.8	1.2	1.3	1.7
% Long Term Debt of Capitalization	16.6	27.6	16.3	18.5	21.2	21.8	27.4	33.3	25.2	10.2
% Return on Assets	16.4	7.8	4.5	5.3	7.2	9.9	6.6	4.1	8.8	18.4
% Return on Equity	24.6	11.6	6.4	8.0	11.1	15.7	11.1	7.0	13.2	25.5

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Noble Corp

## Sub-Industry Outlook

Our fundamental outlook for the oil and gas drilling sub-industry for the next 12 months is positive, with a preference for overseas-focused drilling operations. Our outlook is based on anticipated favorable industry conditions and our view that capital spending will remain high, particularly in international regions with low-cost drilling opportunities. Internationally, supply-demand fundamentals appear to us to be strong in the North Sea, the Middle East, West Africa, the Mediterranean, and India, where we think strong demand from major oil companies and nationalized oil companies and tight rig supply are contributing to rising dayrates. We see more modest growth in dayrates in South America and Southeast Asia.

In North America, both onshore and offshore drilling rigs have seen some slippage in dayrates of late, after three years of large gains, which we think could persist in the first half of 2007. Onshore North America has begun to see the first signs of a slowdown in leading edge dayrates, but we believe rising demand for unconventional natural gas plays will support rig demand and prevent dayrates from falling too far in 2007. Offshore, in the U.S. Gulf of Mexico, recent dayrate weakness has been largely confined to the jackup rigs, but we believe strength overseas will induce further rig migrations and lead to a stabilization of rig dayrates. The U.S. deepwater and midwater semisubmersible markets continue to improve, with recent contracts at extremely high dayrates.

Over the longer term, we expect demand for contract drilling to increase. In the U.S., we believe high field depletion rates and increasing demand for natural gas will continue to support healthy drilling activity. Internationally, we expect additional spending by major oil companies and state-owned oil companies to be the main growth driver for

drilling, as they continue to search for low-cost drilling opportunities, mainly in less mature regions. The number of rigs either under construction or on order has increased to 114, comprised of 67 jackups, 35 semisubmersibles, and 12 drillships; of the 114 rigs, 96 are currently under construction, largely due between 2007 and 2009. However, some of these rigs are being built without contract commitments, so it remains to be seen how quickly they will become operational. As of late February 2007, Global Insight projected WTI oil prices averaging \$58.10/bbl. in 2007, with Henry Hub natural gas prices averaging \$7.12/MMBtu.

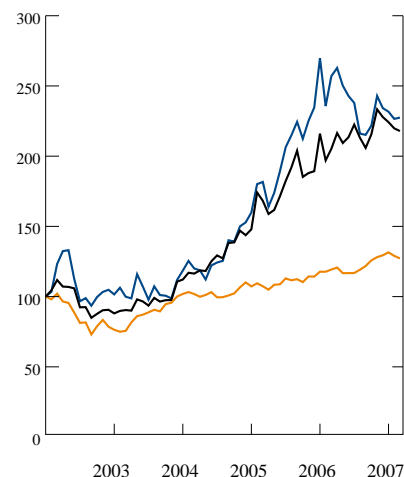
Year to date through February 16, the S&P Oil & Gas Drilling Index declined 3.5% versus a 3.0% rise for the S&P 1500.

--Stewart Glickman, CFA

## Stock Performance

**GICS Sector: Energy**  
**Sub-Industry: Oil & Gas Drilling**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 02/28/07



Sub-Industry      Sector      S&P 1500

**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Oil & Gas Drilling Peer Group\*: Oil & Gas - Offshore Drilling

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price	P/E Ratio	12-Mo. Trailing EPS	30-Day Price Chg(%)	1 Year Price Chg(%)	Beta	Yield (%)	Quality Ranking	Ret. on Equity (%)	Pretax Margin (%)	LTD to Cap (%)
<b>Noble Corp.</b>	<b>NE</b>	<b>9,985</b>	<b>74.24</b>	<b>14</b>	<b>5.33</b>	<b>4%</b>	<b>-8%</b>	<b>0.86</b>	<b>0.2</b>	<b>B</b>	<b>24.6</b>	<b>43.9</b>	<b>16.6</b>
Atwood Oceanics	ATW	1,608	51.71	18	2.94	7%	6%	1.09	Nil	B	21.0	33.2	5.5
Diamond Offshore Drilling	DO	10,531	76.12	15	5.12	-5%	-9%	1.24	0.7	B-	33.9	47.1	29.4
ENSCO International	ESV	7,728	51.22	10	5.05	2%	6%	0.88	0.2	B	26.4	55.8	7.9
GlobalSantaFe	GSF	13,620	59.09	14	4.13	4%	0%	1.10	1.5	B	20.5	33.7	11.6
Pride International	PDE	4,675	28.27	16	1.72	1%	-9%	0.89	Nil	B-	6.5	12.2	33.5
Rowan Companies	RDC	3,381	30.60	11	2.85	-3%	-28%	1.08	1.3	B-	18.1	32.7	17.9
TODCO	THE	1,892	32.78	11	3.04	0%	-12%	0.90	Nil	NR	12.2	19.4	2.5
Transocean	RIG	22,353	76.30	18	4.28	-1%	-5%	1.35	Nil	B-	18.7	41.4	31.7

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**Noble Corp****S&P Analyst Research Notes and other Company News****March 12, 2007**

02:34 pm EDT... S&P MAINTAINS STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 74.32\*\*\*\*): NE released its updated fleet status report late last week and, following a review of the new signings, we are updating our model. We are increasing our '07 EPS est. to \$9.45 from \$9.29 and our '08 estimate to \$12.95 from \$12.73. We view NE as one of best-positioned drilling companies for int'l exposure, given strong emphasis on key regions such as the Middle East, West Africa, the North Sea and Mexico. Based on our net asset value model, and price-to-cash flow and enterprise value-to-EBITDA relative metrics, we are raising our target price by \$1 to \$97. /S.Glickman

**January 25, 2007**

03:41 pm EST... UPDATE - S&P MAINTAINS STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 71.66\*\*\*\*): Following NE's Q4 conference call, we remain enthusiastic about NE's prospects. We note that the company has contract commitments for about 90% of '07 operating days, 55% in '08, and about 33% in '09, indicative of strong earnings visibility. In addition, it has very little exposure to the relatively weaker shallow U.S. Gulf of Mexico market. In addition, we continue to be optimistic that NE can keep its costs under control, given its recent success in this area and scheduled '07 shipyard days that should be about 25% fewer than '06. We are keeping 12-month target price at \$96. /S. Glickman

**January 25, 2007**

11:44 am EST... S&P MAINTAINS STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 73.67\*\*\*\*): NE posts Q4 EPS of \$1.47 vs. \$0.73, \$0.14 below our estimate. Results were led by 52% higher dayrates for international jackups, partly offset by lower utilization due to higher unpaid shipyard days. NE finalized contract renewals on 6 of its 10 jackups in Mexico at dayrates of \$171,000-\$186,000 per day, which we view as attractive given prior dayrates of \$65,000-\$75,000. We think the company is very well positioned, with the lion's share of its rigs in international waters or in deepwater Gulf of Mexico. We will update following today's 2 p.m. conference call. /S. Glickman

**January 25, 2007**

NEW YORK (Standard & Poor's)--Jan 25, 2007, Noble Corp., announced 4Q EPS \$1.47 vs. \$0.73 and annual EPS \$5.33 vs. \$2.16.

**October 30, 2006**

Oct. 30, 2006--Noble Corp. (NYSE:NE) announced that it appointed Mark A. Jackson as chief executive officer. Mr. Jackson will also retain his current roles of president and chief operating officer. James C. Day, who has been serving as chief executive officer, will remain chairman and an employee of the company. My Day will be retiring from NE and its board on Apr. 30, 2007.

**October 25, 2006**

Oct. 25, 2006--Noble Corp. (NYSE:NE) announced that it named Thomas L. Mitchell as senior vice president and chief financial officer, treasurer and controller, effective Nov. 6, 2006.

**October 20, 2006**

12:10 pm EDT... UPDATE - S&P REITERATES STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 67.89\*\*\*\*): Following today's conference call, we remain bullish on NE's growth prospects and view the company as doing a good job holding the line on expenses. Q3 operating expenses came in toward the lower end of NE's guided range, and cost escalation clauses in contracts help to insulate NE from ongoing cost pressures. We note that while Q4 could be a hurdle for operating efficiency, due to the high number of shipyard projects, shipyard days in '07 are expected to be considerably lower. Based on relative and net asset valuations, our 12-month target price remains \$96. /S. Glickman

**October 19, 2006**

10:31 am EDT... S&P REITERATES STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 67.28\*\*\*\*): NE posts Q3 EPS of \$1.51 vs. \$0.55, \$0.01 short of our estimate but \$0.13 above consensus estimates. Results were led by a 54% gain in average dayrate and an increase in total operating days. Contract drilling revenues from international sources comprised 73% of contract drilling segment revenues, down slightly from 76% last year, which we attribute to substantial gains in dayrates for units working in deepwater Gulf of Mexico. NE said inquiries for rig availability for projects starting in 2007-plus remain strong. We will update

following tomorrow's conference call. /S.Glickman

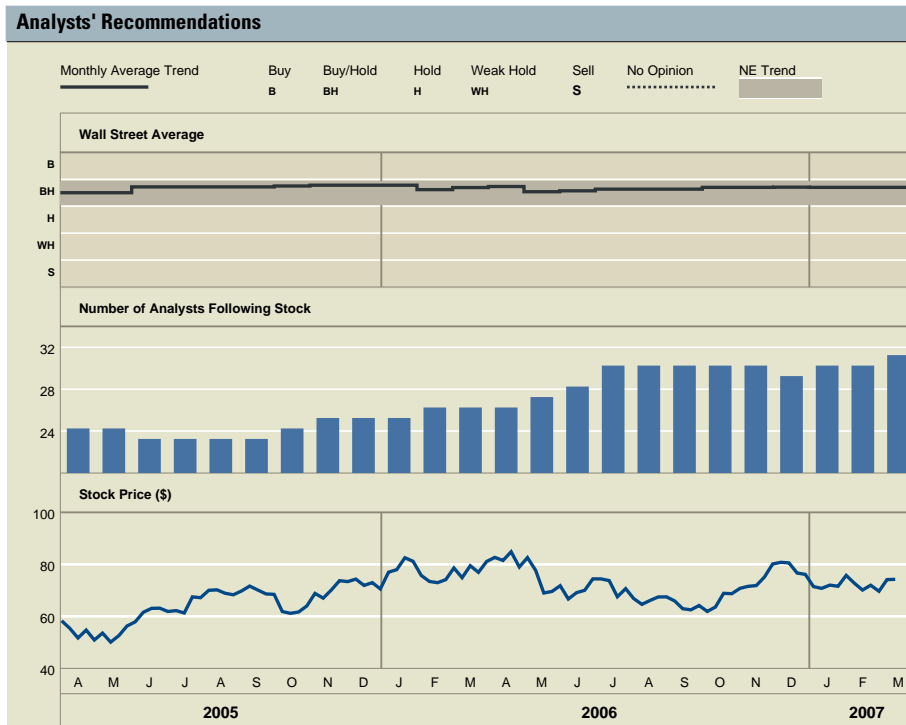
**October 19, 2006**

NEW YORK (Standard & Poor's)--Oct 19, 2006, Noble Corp., announced 3Q EPS \$1.51 vs. \$0.55 and 9 mos. EPS \$3.86 vs. \$1.42. Results for both periods of 2005 incl. hurricane losses of \$10.5M.

**July 21, 2006**

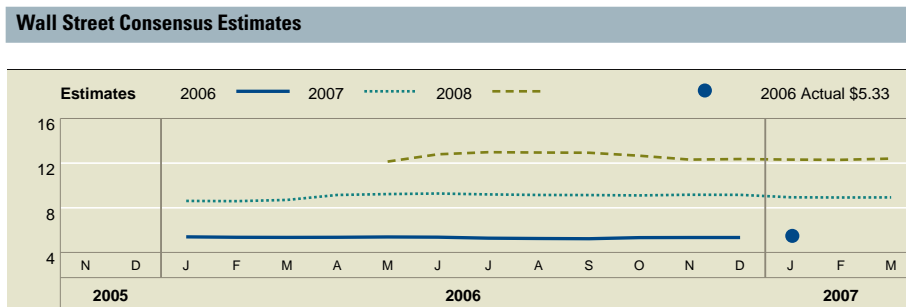
04:55 pm EDT... UPDATE - S&P REITERATES STRONG BUY OPINION ON SHARES OF NOBLE CORP. (NE 67.54\*\*\*\*): Following today's conference call, we continue to believe that offshore rig dayrates have room for further growth, including in such international drilling regions such as Western Africa, Middle East, and North Sea. We see NE, with about 80% of its fleet in international waters, well positioned to benefit from such an environment. Our NAV model, based on projected dayrates and margins for NE's fleet, indicates intrinsic value of \$100 per share. Blending 11X our estimate of '06 EBITDA, 12.5X estimate '06 cash flow, and our NAV model, our 12-month target price remains \$96. /S.Glickman

# Noble Corp



Of the total 34 companies following NE, 32 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	17	53	16	15
Buy/Hold	7	22	7	8
Hold	5	16	5	4
Weak Hold	1	3	1	1
Sell	1	3	1	1
No Opinion	1	3	1	1
<b>Total</b>	<b>32</b>	<b>100</b>	<b>31</b>	<b>30</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2008	12.49	13.90	8.08	29	5.9
2007	8.98	9.50	8.15	32	8.3
<b>2008 vs. 2007</b>	<b>▲ 39%</b>	<b>▲ 46%</b>	<b>▼ -0.9%</b>	<b>▼ -9%</b>	<b>▼ -29%</b>
Q1'08	2.78	2.98	2.50	9	26.7
Q1'07	1.80	1.95	1.64	27	41.2
<b>Q1'08 vs. Q1'07</b>	<b>▲ 54%</b>	<b>▲ 53%</b>	<b>▲ 52%</b>	<b>▼ -67%</b>	<b>▼ -35%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

### Wall Street Consensus Opinion

**BUY/HOLD**

### Companies Offering Coverage

- Over 30 firms follow this stock; not all firms are displayed.
- Aperion Group, LLC
  - Argus Research Corp.
  - Banc of America Securities Llc.
  - Bear Stearns & Co.
  - Calyon Securities (usa) Inc.
  - Credit Suisse First Boston
  - DNB NOR Markets
  - Deutsche Bank
  - Fearnley Fonds
  - Friedman, Billings, Ramsey & Co.
  - Goldman Sachs & Co.
  - Howard Weil Labouisse Friedric
  - JP Morgan Securities
  - Jefferies & Company
  - Johnson Rice and Company
  - Lehman Brothers, Inc.
  - Merrill Lynch Research
  - Monness, Crespi, Hardt & Co., Inc.
  - Morgan Stanley & Company
  - Morgan, Keegan & Company, Inc.
  - Natexis Bleichroeder Inc.
  - Pickering Energy Partners, Inc.
  - RBC Capital Markets (US)
  - Raymond James & Assoc, Inc.
  - Sanford C Bernstein & Co., Inc.
  - Simmons & Company Int'l
  - Smith Barney
  - Southcoast Capital Corp.
  - Stanford Financial Group
  - Sterne, Agee & Leach

### Wall Street Consensus vs. Performance

For fiscal year 2007, analysts estimate that NE will earn \$8.98. For fiscal year 2008, analysts estimate that NE's earnings per share will grow by 39% to \$12.49.

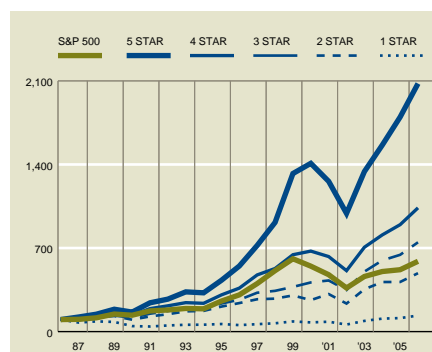
# Noble Corp

## Glossary

### S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

### STARS Average Annual Performance



### S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

### Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

### Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capitalize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

### S&P's IQ Rationale:

	Raw Score	Max Value
Proprietary S&P Measures	86	115
Technical Indicators	25	40
Liquidity/Volatility Measures	20	20
Quantitative Measures	54	75
<b>IQ Total</b>	<b>185</b>	<b>250</b>

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and

trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

### S&P Core Earnings

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

### S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

### Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

### S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London and Standard & Poor's AB (Sweden); Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

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**In the U.S.:** As of December 31, 2006, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 29.0% of issuers with buy recommendations, 60.1% with hold recommendations and 11.0% with sell recommendations.

**In Europe:** As of December 31, 2006, research analysts at Standard & Poor's Equity Research Services Europe have recommended 37.1% of issuers with buy recommendations, 41.8% with hold recommendations and 21.1% with sell recommendations.

**In Asia:** As of December 31, 2006, research analysts at Standard & Poor's Equity Research Services Asia have recommended 30.9% of issuers with buy recommendations, 55.5% with hold recommendations and 13.6% with sell recommendations.

**Globally:** As of December 31, 2006, research analysts at Standard & Poor's Equity Research Services globally have recommended 30.0% of issuers with buy recommendations, 57.7% with hold recommendations and 12.3% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STAR (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In the U.S. the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

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For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Lee Leng Hoe, or Ching Wah Tam.

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