

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

Noble Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question will come from the line of Dave Wilson with Howard Weil.

Dave Wilson – Howard Weil

Good afternoon guys. Quick question regarding share repurchases. Given your current cash balance and strong free cash flow expected for the year, what are your thoughts about being more regressive on these share repurchases, especially if the right kind of acquisition opportunity doesn't present itself? Thanks.

David Williams

Well, we've been, I'm not sure exactly I get your question. We've been fairly constant over the last several quarters buying shares when we could. We've been blacked out some and not blacked out some. We obviously we have been pleased, at least been interested in buying shares at this share price. We've always maintained, and I think we'll continue to maintain that we don't intend to put debt on the balance sheet just to go buys shares. If we can buy it out of cash flow to make sense that's what we'll do, if we have other alternatives out there, we may not.

It's latitude that our board has given us. We've exercised that latitude and I wouldn't look for a lot of change in our mood toward share repurchase. We think it's good. We will continue to look at it. But loading up the balance sheet with debt just to go buy a wad or it's probably not in the cards.

Operator

Our next question will come from the line of Ian Macpherson – Simmons & Company

Ian Macpherson – Simmons & Company

Hi. Congratulations on the results. David, I wanted to ask you about the next 28 rigs that are expected out of Petrobras and what role you think there might be for Noble, either with new builds or somehow squeezing the Globetrotter into their plans, or if you think that that's really going to be an opportunity mainly for Brazilian companies?

David Williams

Well, we hear the same stuff out of Petrobras everybody else does, so I mean the answer to your question is actually all of the above. We expect Petrobras is certainly one of the companies that we've had an ongoing dialog with about Globetrotter. We're not in a big hurry on Globetrotter. We think we've still got a good product and a good price in the market. We've still got a lot of talk going on. We're not panicked about it, but certainly that's a good fit for Petrobras. So it might be a fit.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.