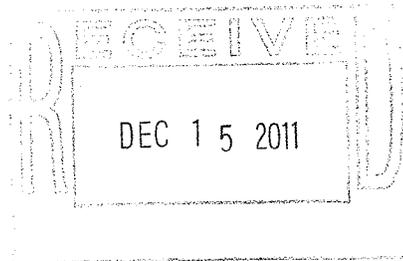


**NOBLE CORPORATION**  
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December 9, 2011

Public Company Accounting Oversight Board  
Office of the Secretary  
1666 K Street, NW  
Washington, DC 20006-2803



Re: Rulemaking Docket Matter No. 37

Dear Members of the Board:

The Audit Committee and Board of Directors of Noble Corporation (“Noble”) respectfully submits comments to the Public Company Accounting Oversight Board (“PCAOB”) on its “Concept Release on Auditor Independence and Audit Firm Rotation.”

Noble Corporation is a leading offshore drilling contractor for the oil and gas industry that performs contract drilling services with our fleet, consisting of 79 mobile offshore drilling units located worldwide. Our global fleet is currently located in the following areas: the Middle East, India, the U.S. Gulf of Mexico, Mexico, the Mediterranean, the North Sea, Brazil, West Africa and the Asian Pacific. Noble and its predecessors have been engaged in the contract drilling of oil and gas wells since 1921. Noble is an issuer listed on the New York Stock Exchange (symbol “NE”) with a current market cap exceeding \$8 billion.

We support the PCAOB’s goal of improving audit quality, reducing the risk of audit failures and promoting public trust in both the financial reporting process and the auditing profession. Many improvements to the audit process have been made in furtherance of this goal since the enactment of The Sarbanes-Oxley Act of 2002, including required auditor communications with audit committees regarding auditor independence, five year mandatory partner rotation, prohibitions against hiring former auditors and prohibitions on the types of additional services auditors can provide. Each of these regulations has furthered the independence goal and has complemented the PCAOB’s goal to reinforce the distinct relationship that must exist between the auditors and the organization subject to audit scrutiny. As a result, we do not believe that mandatory audit firm rotation would meaningfully enhance the collective goal of auditor independence, objectivity and professional skepticism for the following reasons.

- Conflict with Audit Committee Responsibility. Audit committees are charged with selecting, evaluating and overseeing external auditors on behalf of their boards of directors and investors. Beyond the core competencies, audit firms are not fungible and each firm has its own unique strengths which should be considered in the audit engagement evaluation process. Requiring mandatory audit firm rotation would severely limit the effectiveness of audit committees by restricting the possible choices of auditors available, thereby potentially resulting in the engagement of an audit firm without the industry expertise needed to perform its function well. Given the limited number of audit firms of sufficient size, experience, and reputation, and the fact that large companies typically engage several firms for audit and non-audit services, an unintended consequence of mandatory rotation could be the required hiring of a series of firms and regular re-shuffling of parties irrespective of the quality, expertise and capabilities of the audit service providers. This situation would inevitably conflict with the audit committee’s responsibility to the shareholder and could actually impede the PCAOB’s goal of enhancing the audit process. Mandatory rotation effectively takes the decision out of the audit committee’s hands and interferes with the business judgment and legal fiduciary duty of the board of a public company to provide governance on behalf of its stakeholders.

- Potential Reduction in Audit Quality. High-quality audits are achieved when skilled professionals with deep knowledge of an issuer's business and industry apply both relevant standards and professional judgment, considering the unique facts and uncertainties relevant to each issuer. Requisite knowledge is developed over time as auditors evaluate an issuer's operations, financial results, and personnel, considering the natural biases or tendencies of individuals.

Due to the unique characteristics of each issuer, as well as the natural learning curve that all parties experience when change occurs, the potential for the engagement of a less experienced audit firm due to mandatory rotation requirements could actually increase the risk of audit failures. The collective knowledge of other professionals from the same audit firm participating in the engagement provides a foundation for another partner within that firm, experienced in the industry, to take over pursuant to audit partner rotation requirements with minimal disruption to the audit quality and process. That important knowledge base is downgraded when a different firm, whose personnel, all new to the engagement, is retained. The new auditors certainly will have less knowledge than their predecessors, which we believe increases the risk of misunderstanding, errors and potential audit failures.

This argument is not intended to suggest that a change in audit firm is never appropriate; at times such a change is in fact necessary and in the best interest of the shareholders. The Audit Committee, at least annually, assesses the quality of the auditors' work and makes a recommendation to the shareholders to ratify their appointment.

- Increased Costs to Investors. Audit fees, which would ultimately be borne by investors, as the number of hours spent by an audit firm not having the benefit of prior experience with the issuer will increase. Each successor audit firm must invest significant time to become familiar with the risks, uncertainties, processes, and personnel of a new client in order to appropriately plan and perform its audit and quarterly reviews. Additionally, the audit firm will likely have to continually be in contact with the previous firm in order to gain comfort when filing various regulatory documents with the SEC. Finally, audit firms are apparently already facing staffing constraints, which would be compounded by the resulting need for additional employees and increase wages to incentivize retention of current employees. These additional costs could be justified if the value gained was significant. However, we believe that the safeguards already in place protect auditor independence, and do not believe that any incremental benefit from mandatory audit firm rotation justifies the significant additional expenditures and increased learning curve risks already noted.
- Burden on Management Team. Issuers, too, are directly impacted by these issues. Company personnel will be required to devote significant time educating auditors about the issuer's business, processes, controls, risks and uncertainties. Company personnel will also be required to assist the new auditors in revisiting accounting conclusions made in prior periods. These demanding requirements introduce new risk into the organization by creating unnecessary distraction and frequent changes to audit planning and execution. In addition to the higher external costs discussed above, the mandatory audit firm rotation would also generate increased internal costs and potentially increase the risk to the company that an error could go undetected.

As we stated at the outset, we appreciate and support the PCAOB's goals of improving audit quality, reducing the risk of audit failures and promoting public trust in both the financial reporting process and auditing profession. We believe, however, that the PCAOB's proposal of regulatory oversight must be balanced against the business judgment and the duty of governance that is the legal responsibility of a corporation's board and its established committees. For the reasons laid out above, we do not believe that the proposed mandatory audit firm rotation would be an effective step in furthering the stated goals. We appreciate your consideration of our comments and the opportunity to offer our views on this important topic.

Sincerely,



Mary P. Ricciardello, Audit Committee Chair  
On behalf of the Board of Directors  
Noble Corporation