

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-K  
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(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED AUGUST 31, 1995

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM TO

-----  
COMMISSION FILE NUMBER 1-7573

PARKER DRILLING COMPANY  
(Exact name of registrant as specified in its charter)

Delaware 73-0618660

-----  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

Parker Building, Eight East Third Street, Tulsa, Oklahoma 74103

-----  
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code (918) 585-8221

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

N/A Name of each exchange on which registered:

-----  
(Title of class) New York Stock Exchange, Inc.

Securities registered pursuant to section 12(g) of the Act:  
Common Stock, par value \$.16 2/3 per share

-----  
(Title of class)

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 (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to  
such filing requirements for the past 90 days. Yes  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. [ ]

As of September 30, 1995, 55,726,314 common shares were outstanding, and  
the aggregate market value of the common shares (based upon the closing price  
of these shares on the New York Stock Exchange) held by nonaffiliates was  
\$303.5 million.

Documents Incorporated by Reference

Part III, Items 10 through 13 Portions of the Company's definitive Proxy  
Statement in connection with its Annual  
Meeting to be held December 13, 1995

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## PART I

### Item 1. BUSINESS

#### GENERAL DEVELOPMENT

Parker Drilling Company was incorporated in the state of Oklahoma in 1954. The Company's predecessor was a contract drilling business established in 1934 by Gifford C. Parker. The founder was the father of Robert L. Parker, the current chairman and a principal stockholder, and the grandfather of Robert L. Parker Jr., president and chief executive officer. In March 1976, the state of incorporation of the Company was changed to Delaware through the merger of the Oklahoma corporation into its wholly owned subsidiary Parker Drilling Company, a Delaware corporation. Unless otherwise indicated, the term "Company" refers to Parker Drilling Company together with its subsidiaries and "Parker Drilling" refers solely to the parent, Parker Drilling Company.

The Company's principal business is providing land contract drilling services on a worldwide basis to firms in the oil and gas industry. Internationally, the Company specializes in difficult wells and drilling in remote locations, utilizing equipment that is specially designed by the Company to be easily transported by helicopter or other vehicles into difficult access areas. Domestically, the Company specializes in the drilling of deep gas wells (to 15,000 feet or deeper). The Company is also engaged in coring and geothermal operations.

In addition to land contract drilling services, the Company also provides drilling engineering and project management services. Project management services include well design, training, quality control, location construction, catering and equipment and personnel logistics management.

In 1995, Parker Drilling Investment Company, a wholly owned subsidiary, formed a joint limited liability company, OnSite Technology L.L.C. (Trademark) ("OnSite") (Trademark), to market and operate an on-location soil and drill

cuttings remediation process worldwide. Parker Drilling Investment Company and National Fuel and Energy, Inc. are equal owners in OnSite (Trademark). OnSite (Trademark) will operate mobile units which clean and remediate hydrocarbon-contaminated soil on location at oil and gas drill sites, tank batteries, pipeline installations, refineries, oil field service and storage facilities and service stations. The first unit has been built and is expected to be placed into service in the first quarter of fiscal 1996.

In August 1975, the Company acquired Parker Technology, Inc. ("Partech") (Registered Trademark) (formerly OIME, Inc.), a drilling equipment manufacturing concern in Odessa, Texas. Partech (Registered Trademark) designs and constructs specialized rigs and rig components to meet the unique needs of the Company and its customers. However, with minimal demand for rig construction during recent years, Partech (Registered Trademark) functions primarily as a service center for the Company's drilling operations. The scope of Partech's operations was downsized in late fiscal 1994 with a reduction in the number of manufacturing and technical support personnel and the sale of excess manufacturing equipment and inventories. In fiscal years 1995, 1994 and 1993, its operations accounted for less than 10 percent of the Company's total revenue.

#### Item 1. BUSINESS (continued)

Parker Kinetic Designs, Inc. ("Parker Kinetic"), formed in July 1984, specializes in the commercialization of pulse power technologies for industrial, scientific and military applications. Parker Kinetic is a leading developer of pulse power applications. The Austin, Texas-based subsidiary also provides specialized engineering services in electromagnetic accelerator research.

#### CUSTOMERS

The Company's drilling customer base consists of major oil companies, foreign national oil and gas companies, independent oil and gas companies and industrial users. The Company's 20 largest customers accounted for approximately 91 percent of total revenue during fiscal 1995. Two customers accounted for approximately 22 percent and 13 percent, respectively. In fiscal 1994, three customers accounted for approximately 14 percent, 12 percent and 11 percent, respectively. In fiscal 1993, three customers accounted for approximately 22 percent, 14 percent and 10 percent, respectively.

#### CONTRACTS

The Company generally obtains drilling contracts through competitive bidding. Under most contracts the Company is paid a daily fee, or day rate. The day rate received is based on several factors, including: type of equipment, services and personnel furnished; investment required to perform the contract; location of well; term of the contract; and competitive market forces. Meterage rate contracts are occasionally accepted in which the Company is paid a rate per meter drilled upon reaching a specified depth. The Company drilled several shallow (under 10,000 feet) wells under meterage contract terms in the past fiscal year in connection with international contracts.

The Company generally receives a lump sum fee, which in most cases approximates the cost incurred by the Company, to move its equipment to the drilling site. Domestic contracts are generally for one well, while international contracts are more likely to be for multi-well programs. The Company continues to obtain contracts under which the Company provides drilling engineering and integrated project management services. The Company provides drilling project services from well design and engineering expertise to site preparation and road construction in an effort to help customers eliminate or reduce management overhead which would otherwise be necessary to supervise such services.

While oil and gas exploration efforts have remained stable or increased in many areas outside the United States, domestic drilling programs have remained relatively depressed. Day rates on domestic contracts continue to cover cash operating costs before local overhead. International day rates and profit margins continue to be more favorable than those for domestic

operations. Because of the difficult remote drilling sites encountered internationally, specialized equipment is often required, sometimes resulting in additional modification or construction costs which are generally offset by favorable day rates for the Company. Substantially all the international contracts provide for payment in U.S. dollars, with a minimum local currency portion to cover local expenditures.

## COMPETITION

Significant competition remains in the drilling industry although both the number of companies and available rigs have decreased over the last ten years. The number of rigs continues to exceed demand, particularly in the domestic market. A number of large and small drilling contractors provide competition for drilling contracts in all areas the Company serves. Although no single drilling competitor operates in all areas the Company serves, certain competitors are present in more than one of those areas.

Historically, competition for drilling services has been based on four factors: (1) type and condition of equipment available, (2) location of or ability to deploy such equipment, (3) quality of service and personnel and (4) price. In each of the first three areas, management believes that the Company has for many years ranked at or near the top of the drilling industry. During the past several years, the prevailing factor in obtaining contracts has been price due to the surplus of available rigs in the drilling industry. The Company's patented drilling equipment is a factor in obtaining certain contracts located in remote and difficult-access locations and in drilling certain wells requiring specialized equipment.

## RESEARCH AND DEVELOPMENT

In response to customers' needs of reducing drilling costs, the Company has developed a slim hole drilling and coring rig. The new series of lighter electric rigs features a two-speed top drive and the Parkomatic (Registered Trademark) automatic drilling system. Combining technology from the drilling and mining industries, the Company pioneered continuous wireline coring in order to allow geological assessments to be made during the drilling program. The Company has utilized this technology in the performance of several contracts.

Parker Kinetic engineers and manufactures high-energy pulse power equipment. Parker Kinetic has developed the homopolar pulse generator, a machine that stores kinetic energy in a rotor, then rapidly converts that energy into a high-current electrical pulse. Pulse power can be used for, among other things, high-speed solid-state welding, sintering and material compaction, pulsed heating and powering electromagnetic launch devices.

Parker Kinetic continues to refine this technology in order to make it practical and economically feasible for industrial, scientific and military applications. With the recent decline in military expenditures by the United States government, Parker Kinetic has shifted the focus of its research activities to industrial applications and markets.

Twenty-three employees are involved in research and development. The costs associated with the Company's research and development efforts are not significant.

<TABLE>

### EMPLOYEES

At August 31, 1995, the Company employed 2,360 persons, up 12% from the 2,106 employed at August 31, 1994. The following table sets forth the composition of the Company's employees:

<CAPTION>

	August 31,	
	1995	1994
<S>	<C>	<C>
International Drilling Operations	1,840	1,614

Domestic Drilling Operations	309	298
Corporate and Other Domestic	211	194

</TABLE>

## RISKS AND ENVIRONMENTAL CONSIDERATIONS

Certain political and economic risks are inherent in international operations. These risks include expropriation of equipment, currency rate fluctuations, foreign currency conversion restrictions and local tax regulations. The Company minimizes the potential impact of these risks by operating in several geographical areas and by generally entering contracts which are denominated in U.S. dollars. Additionally, the Company seeks to obtain contractual indemnification from operators against certain of these risks. The Company carries political risk insurance covering its equipment in most foreign locations.

The United States and various other countries have enacted legislation or adopted regulations controlling the discharge of materials into the environment. Such legislation provides for the imposition of penalties and liabilities and indemnification for clean-up costs, regardless of fault, for hazardous waste and chemical discharges. In certain circumstances, the Department of the Interior is authorized to suspend operations that threaten to harm life, property or the environment. Under most of the Company's contracts, the Company is indemnified from environmental damages except in certain cases of pollution that originates above the surface from equipment operation and maintenance. The Company purchases limited pollution insurance to cover costs associated with clean-up of sudden and accidental spills. In those contracts where the Company accepts liability for pollution caused by its negligence or is not covered by insurance, the amount of the Company's financial exposure is generally restricted in the contract.

The Company believes that it substantially complies with all environmental legislation and regulations. Compliance with such provisions and regulations has not had a material effect upon the Company's operations; however, the effect of any future environmental enactments cannot be predicted.

## FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The Company operates principally in one segment, contract drilling services. Information about the Company's operations by geographic areas for the three years ended August 31, 1995, is set forth in Note 8 of Notes to Consolidated Financial Statements.

<TABLE>

### Item 2. PROPERTIES

The Company owns and occupies a ten-story building in downtown Tulsa, Oklahoma, as its home office. The Company also owns a five-story office building in Tulsa and currently is leasing it to third parties. Additionally, the Company owns and leases office space and operating facilities in various locations, but only to the extent necessary for administrative and operational functions.

During fiscal 1995, the Company acquired one international rig, currently under contract in New Zealand, and leased one rig, currently under contract in Argentina. The Company sold two domestic rigs and one international rig and also retired five international rigs from the rig fleet. The following table shows, as of August 31, 1995, the locations and drilling depth ratings of the Company's remaining 90 rigs:

<CAPTION>

#### Drilling Depth Rating in Feet

	10,000 or less	15,000	17,000	20,000	25,000	Over 30,000	30,000	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
DOMESTIC								
Alaska				1				1

Central States	3	2	14	1	3	23
Rocky Mountains	1		3	6	2	14
West Coast	1		1			2
--	--	--	--	--	--	--
Total Domestic	1	4	5	21	1	6
--	--	--	--	--	--	--

INTERNATIONAL

South America	7	2	1	8	2	5	25
Africa, Middle							
East and C.I.S.	3	2	1	1			7
Asia Pacific	4	2	2	7	3		18
--	--	--	--	--	--	--	--
Total							
International	14	6	4	16	5	5	- 50
--	--	--	--	--	--	--	--
TOTAL	15	10	9	37	6	11	2 90
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--

</TABLE>

The following table sets forth the utilization rates during each of the previous three years. Rigs retired in fiscal 1995 and 1994 have been treated as removed from the rig fleet as of the last day of each fiscal year. Accordingly, the increase in the domestic utilization rate, from 15% in 1994 to 21% in 1995, was attributable to having fewer rigs in the fleet in 1995.

<TABLE>  
<CAPTION>

	Average Utilization for the Years Ended August 31,		
	-----		
	1995	1994	1993
	----	----	----
<S>	<C>	<C>	<C>
International Utilization	54%	56%	40%
Domestic Utilization	21%	15%	14%
Overall Utilization	40%	35%	26%

</TABLE>

Item 3. LEGAL PROCEEDINGS

In the opinion of Company counsel, there are no pending legal proceedings to which the Company is a party that could have a materially adverse effect upon its business or its financial position.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to Parker Drilling Company security holders during the fourth quarter of fiscal year 1995.

PART II

<TABLE>

Item 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Parker Drilling Company common stock is listed for trading on the New York Stock Exchange under the symbol PKD. At the close of business on September 30, 1995, there were 4,198 holders of record of Parker Drilling common stock. Prices on Parker Drilling's common stock for the fiscal years ending August 31, 1995 and 1994, were as follows:

<CAPTION>

Fiscal Year 1995    Fiscal Year 1994

Quarter	High	Low	High	Low
<S>	<C>	<C>	<C>	<C>
First	\$6.250	\$5.000	\$7.750	\$5.250
Second	5.125	4.375	6.250	4.875
Third	5.625	4.375	6.250	4.875
Fourth	5.625	4.625	6.375	5.375

No dividends have been paid on common stock since February 1987. Restrictions contained in Parker Drilling's existing credit agreement limit the payment of cash dividends to the lesser of 40 percent of consolidated net income for the preceding fiscal year, or \$2.6 million. The Company has no present intention to pay dividends on its common stock in the foreseeable future because of its business plan to reinvest earnings in the Company's operations.

Item 6. SELECTED FINANCIAL DATA

<TABLE>  
<CAPTION>

Parker Drilling Company and Subsidiaries  
(In Thousands Except Per Share Data)

Years Ended August 31,	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>
Revenue	\$157,371	\$152,424	\$100,801	\$123,332	\$112,818
Income (loss) from continuing operations	\$ 3,916	\$(28,806)	\$(10,687)	\$(11,166)	\$ 1,977
Discontinued operations- Gain on disposal	-	-	-	-	1,184
Net income (loss)	\$ 3,916	\$(28,806)	\$(10,687)	\$(11,166)	\$ 3,161
Earnings (loss) per share, primary and fully diluted: Income (loss) from continuing operations	\$ .07	\$ (.53)	\$ (.20)	\$ (.21)	\$ .04
Discontinued operations- Gain on disposal	-	-	-	-	.02
Net income (loss)	\$ .07	\$ (.53)	\$ (.20)	\$ (.21)	\$ .06
Total assets	\$216,959	\$209,348	\$236,342	\$245,869	\$264,794
Long-term debt	\$ 1,748	\$ -	\$ -	\$ 142	\$ 1,907
Redeemable preferred stock	\$ -	\$ -	\$ -	\$ 157	\$ 315

</TABLE>

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

During fiscal 1995, cash and other short-term investments increased \$7.7 million. Cash generated from operations of \$17.9 million and proceeds received from the sale of property, plant and equipment of \$11.7 million, less capital expenditures of \$21.5 million, were the primary reasons for the increase.

The Company's cash generated by operating activities in fiscal 1995 exceeded fiscal 1994's total by \$17.0 million. This increase is due primarily to improved drilling margins and a smaller increase in working capital requirements in fiscal 1995. Proceeds from the sale of property, plant and equipment included \$3.6 million from the sale of one international and two domestic rigs and \$1.9 million from the sale of two airplanes. In addition, many of the assets written down to net realizable value in fiscal 1994, as discussed in Note 2 of Notes to Consolidated Financial Statements, were disposed of during fiscal 1995.

Capital expenditures decreased \$13.2 million to a total of \$21.5 million in fiscal 1995. Significant expenditures included \$15.1 million to modify and upgrade various international rigs. The decrease in capital spending is primarily the result of spending \$19.3 million in fiscal 1994 for the acquisition and modification of seven rigs. Capital expenditures in fiscal 1996, relating primarily to international contract opportunities, are currently forecasted to be \$32.0 million. In the event the Company obtains additional contracts that require the purchase or construction of new or specialized rigs, or significant modifications to existing rigs, capital expenditures could increase further. Any significant increase in capital expenditures would be subject to any restrictions imposed on the Company as specified below.

The Company has a credit agreement ("Agreement") with a bank which provides a \$7.5 million revolving credit facility through March 1, 1996. The credit agreement was subsequently amended in the fourth quarter of fiscal 1995 to extend the expiration date to May 31, 1996. All of the credit facility was available for drawdown as of August 31, 1995. The Agreement contains restrictions on annual capital expenditures and certain senior and subordinated indebtedness which can be incurred by Parker Drilling Company and certain subsidiaries designated in the Agreement. These designated subsidiaries comprise the operating subsidiaries through which the Company performs the majority of its drilling operations. The credit facility also limits payment of dividends on the Company's common stock to the lesser of 40 percent of consolidated net income for the preceding fiscal year, or \$2.6 million. The remaining subsidiaries of the Company are not a party to the credit facility and are able to make capital expenditures and obtain independent financing from lenders that have no recourse to Parker Drilling Company and the designated subsidiaries, subject only to an overall limitation of indebtedness.

The restrictions in the Agreement are not anticipated to restrict growth or investment opportunities in the foreseeable future.

LIQUIDITY AND CAPITAL RESOURCES (continued)



Management believes that the current level of cash and short-term investments, together with cash generated from operations, should be sufficient to meet the Company's immediate capital needs. However, in the event the Company obtains additional contracts requiring further significant capital expenditures or acquires equipment or companies in the drilling service industry, management believes the Company would likely meet both short-term and long-term capital needs through a combination of cash generated from operations, borrowings under the bank credit agreement and either equity or long-term debt financing.

#### RESULTS OF OPERATIONS 1995 VS. 1994

The fiscal 1995 net income of \$3.9 million was an improvement of \$32.7 million over the net loss of \$28.8 million recorded in fiscal 1994. Excluding a \$19.7 million provision for reduction in carrying value of certain assets from fiscal 1994's net loss, fiscal 1995's net income was an improvement of \$13.0 million over fiscal 1994. The primary reasons for the improvement in fiscal 1995 were an increase in drilling margins of \$7.2 million and an increase in other income of \$6.7 million.

Drilling contract revenue increased \$5.6 million to \$153.1 million in fiscal 1995 even though international and domestic operating days were nearly the same as the previous year. An increase in the utilization of larger rigs in northern Argentina and Colombia more than offset decreased utilization of smaller rigs in southern Argentina. Although operating days were nearly the same, the domestic utilization rate increased from 15% to 21% due to the retirement/disposal of 16 domestic rigs in 1994. (Rigs retired, disposed of or reclassified as assets held for sale in fiscal 1995 and 1994 have been treated as removed from the rig fleet as of the last day of each fiscal year.)

Western Hemisphere international drilling revenue increased \$23.4 million in fiscal 1995 when compared with fiscal 1994. In the country of Colombia, revenue increased \$13.9 million due primarily to revenue earned by one rig relocated from Indonesia during the year and from a full year of operations by one rig which was added to the rig fleet in fiscal 1994. In addition, several rigs which were either on a standby or stacked status in fiscal 1994 operated all of fiscal 1995. In Argentina, drilling revenue increased \$12.6 million as two additional deep rigs, one relocated from the Congo in fiscal 1994 and one relocated from Yemen in fiscal 1995, operated much of the year. Additionally, one rig added to the rig fleet in fiscal 1994 operated all of fiscal 1995 and one rig leased by the Company commenced operations in the fourth quarter of fiscal 1995. During fiscal 1995 and 1994, a number of shallow depth capacity rigs (10,000 feet or less) have operated in southern Argentina, many of them operating on a meterage basis. Two of these rigs have been relocated to mid-Argentina as the Company focuses its marketing efforts on regions of the country where operations are generally conducted on a daywork basis. At fiscal year-end, the remaining rigs in southern Argentina were on a stacked status. Management anticipates a slight decline in revenue from South American operations in fiscal 1996 due to a further reduction of operations in southern Argentina. Drilling revenue declined \$4.8 million in Ecuador where two rigs located in that country did not operate in fiscal 1995 and were retired from the rig fleet at the end of the fiscal year.

#### RESULTS OF OPERATIONS 1995 VS. 1994 (continued)

Operations in Asia and the Pacific resulted in an increase in drilling revenue of \$1.5 million in fiscal 1995. Increased utilization in New Zealand and revenue earned from a labor contract in China more than offset a decline in revenue in Papua New Guinea and Indonesia due to lower utilization in those countries. It is anticipated that revenue from this region will remain relatively constant in fiscal 1996.

International drilling revenue from operations in Africa, the Middle East and C.I.S. declined \$17.4 million in fiscal 1995. Utilization declined due to the completion of contracts in Chad, the Congo, the Russian Republic, and Yemen. The rigs which operated in the Congo and Yemen in fiscal 1994 have both been redeployed to Argentina where they are currently operating. In Kazakhstan, a reduction in revenue from a labor contract in that country was partially offset by operations from one rig which has been relocated from the Russian Republic. Management anticipates revenue from this region to increase in fiscal 1996 primarily due to the commencement of a one-rig contract in the

first quarter of the year in the Russian Republic.

Domestic drilling revenue declined \$2.3 million due to fewer operating days in the Rocky Mountain states and Alaska. Management anticipates revenue from its domestic drilling operations will be slightly higher in fiscal 1996.

Drilling margins (drilling revenue less drilling expense) increased \$7.2 million in fiscal 1995 versus fiscal 1994. Margins improved in the Company's South American operations, including both the countries of Colombia and Argentina. Margins had been negatively impacted in fiscal 1994 in Colombia due to increased operating expenses and costs associated with the start-up of two rigs. In fiscal 1995, these two rigs operated for the full year with improved margins when compared with the previous fiscal year. In Argentina, margins also improved as two additional deep capacity rigs began operating in the northern region of the country and two rigs operated during the year in the country's middle region. In the Company's other operating regions, both internationally and domestically, drilling margins as a percentage of drilling revenue in fiscal 1995 remained relatively consistent with fiscal 1994.

Depreciation expense, which declined \$.3 million in fiscal 1995, is expected to increase in fiscal 1996 due to the level of capital expenditures forecasted. General and administrative expense increased \$.9 million in fiscal 1995 due to increased amortization of deferred compensation and legal expenses.

Other income (expense) increased \$6.7 million in fiscal 1995 when compared to fiscal 1994. Gains of \$6.4 million were recognized in fiscal 1995 from the disposition of property, plant and equipment as the Company continued its efforts to sell assets that are no longer a part of its current marketing strategy. In addition, the reversal of a prior year foreign currency accrual of \$1.5 million was recorded in fiscal 1995. Fiscal 1994 other income included \$2.1 million from gains associated with the disposition of property, plant and equipment, a \$1.5 million gain from the reversal of a prior year foreign payroll tax accrual and a \$2.6 million charge for the settlement of litigation (see Note 9 of the Notes to Consolidated Financial Statements). The \$1.3 million increase in income tax expense was primarily attributable to the reversal in 1994 of an accrued foreign tax.

#### RESULTS OF OPERATIONS 1994 VS. 1993

The fiscal 1994 net loss of \$28.8 million represents an increase in net loss of \$18.1 million from fiscal 1993. However, excluding the provision for reduction in carrying value of certain assets of \$19.7 million recognized in fiscal 1994, the net loss improved \$1.6 million from fiscal 1993 to fiscal 1994. The primary reasons for the improvement were an increase in drilling margins of \$5.3 million, partially offset by increases in depreciation expense of \$1.6 million and income tax expense of \$2.2 million.

During the fourth quarter of fiscal 1994, management analyzed its domestic operations and made the strategic decision to reorganize certain of these operations and sell certain of these assets. The Company reduced the carrying value of certain assets in Alaska, including rigs, spare parts and property to be sold. The Company wrote down to net realizable value certain of its Partech (Registered Trademark) manufacturing operations' drilling equipment, property and inventories that were to be disposed. In the lower 48 divisions, the Company wrote down to net realizable value a number of mechanical rigs and certain rig equipment that were to be disposed. Write-offs relating to the lower 48 and Alaska rigs resulted in the removal of 16 rigs from Parker's fleet. Aggregating the items described above, the Company recorded a \$19.7 million provision during the fourth quarter of fiscal 1994.

Drilling revenue increased by \$50.8 million as utilization of the Company's international rig fleet increased from 40% in fiscal 1993 to 56% in fiscal 1994. Domestic rig utilization increased slightly from 14% to 15%.

Western Hemisphere international drilling revenue increased \$21.1 million from fiscal 1993 to fiscal 1994. Revenue from the country of Argentina increased \$18.5 million as the Company re-entered the Argentina drilling market during the fourth quarter of fiscal 1993. In Colombia, revenue increased \$2.7 million in fiscal 1994 as the Company engaged in more deep drilling at higher day rates when compared to fiscal 1993.

International drilling revenue from operations in Asia and the Pacific increased \$20.9 million in fiscal 1994. The primary reasons for the increase were the resumption of operations in Pakistan during the first quarter of fiscal 1994, and the operation of two geothermal rigs in the Philippines, a new market for the Company in fiscal 1994. Also contributing to the increase in drilling revenue was an increase in utilization in Papua New Guinea during fiscal 1994.

Drilling revenue from operations in Africa, the Middle East and the C.I.S. increased \$9.6 million in fiscal 1994. During the fourth quarter of fiscal 1993, the Company began operating in the republic of Kazakhstan under a labor contract for a major customer. Revenue from operations in Kazakhstan increased \$6.8 million in fiscal 1994. In the Russian Republic an increase in operating days for two workover rigs generated an additional \$2.3 million in revenue in fiscal 1994 versus fiscal 1993. In Africa, a decline in revenue from decreased utilization in Chad was offset by revenue from a one-rig contract in the Congo.

Domestic drilling revenue declined slightly in fiscal 1994 compared to fiscal 1993. An increase in utilization in the continental United States could not completely offset the loss of revenue from the Company's specialized Arctic drilling rig, which was released late in the third quarter of fiscal 1994.

#### RESULTS OF OPERATIONS 1994 VS. 1993 (continued)

Although drilling revenue increased \$50.8 million in fiscal 1994 versus fiscal 1993, drilling margins (drilling revenue less drilling expense) did not increase proportionately. Drilling margins in Colombia declined due to increased operating expenses and costs associated with the start-up of two rigs. In Argentina, the initial start-up costs of entering a new market and putting ten newly acquired rigs to work negatively impacted drilling margins. Additionally, during this transition period, the Company encountered drilling problems which resulted in slower-than-expected drilling progress on some of the meterage rate contracts.

Depreciation expense increased \$1.6 million in fiscal 1994, the result of an increase in capital spending during 1994. Other income (expense) increased \$.6 million in fiscal 1994 compared to fiscal 1993. Interest income, net of interest expense, decreased \$.5 million due to the decline in cash and short-term investments during fiscal 1994. Other income in fiscal 1994 included a \$1.0 million gain recognized when proceeds from an insurance settlement exceeded the book value of equipment damaged in connection with a blowout on an international rig. Fiscal 1994 other income also included the reversal of a prior year foreign payroll tax accrual totalling \$1.5 million. Offsetting this income in fiscal 1994, was a \$2.6 million charge for the settlement of litigation. (See Note 9 of the Notes to Consolidated Financial Statements.) Fiscal 1993 other expense included a \$.9 million adjustment of a prior year's workers' compensation liability. Income tax expense increased \$2.2 million primarily because of an increase in international drilling activity, which resulted in an increase in current tax expense.

#### OTHER MATTERS

Internationally, the Company specializes in drilling in remote locations and under difficult geological or operating conditions. The Company's international services are primarily utilized by international and national oil companies in the exploration and development of reserves of oil. Domestically, the Company specializes in drilling deep wells in search of natural gas. Business activity is dependent on the exploration and development activities of the major, independent and national oil and gas companies that make up the Company's customer base. Generally, temporary fluctuations in oil and gas prices do not materially affect these companies' exploration and development activities, and consequently do not materially affect the operations of the Company. However, sustained increases or decreases in oil and natural gas prices could have an impact on customers' long-term exploration and development activities which in turn could materially affect the Company's operations. Generally, a sustained change in the price of oil would have a greater impact on the Company's international operations while a sustained change in the price of natural gas would have a greater effect on domestic operations. Weak prices for natural gas have resulted in depressed markets for domestic drilling services over the past

decade.

Historically, due to the importance of oil revenue to most of the countries in which the Company operates, the Company's operations generally have not been negatively impacted by adverse economic and political conditions. However, there can be no assurances that such conditions could not have a material adverse effect in the future.

#### Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

#### REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders  
Parker Drilling Company

We have audited the consolidated financial statements and financial statement schedule of Parker Drilling Company and subsidiaries as listed in Item 14(a)(1) and (2) of the Form 10-K. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Parker Drilling Company and subsidiaries as of August 31, 1995 and 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended August 31, 1995, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Tulsa, Oklahoma  
October 17, 1995

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
(In Thousands Except Earnings (Loss) Per Share  
and Weighted Average Shares Outstanding)

<CAPTION>

For the Years Ended August 31,            1995            1994            1993

<S>	<C>	<C>	<C>
Revenue:			
Drilling contracts	\$153,075	\$147,480	\$ 96,719
Other	4,296	4,944	4,082

	157,371	152,424	100,801
Operating expense:			
Drilling	113,132	114,732	69,237
Other	4,928	6,563	5,951
Depreciation, depletion and amortization	21,643	21,950	20,400
General and administrative	19,165	18,314	17,593
Provision for reduction in carrying value of certain assets (Note 2)	-	19,718	-
	158,868	181,277	113,181
Operating income (loss)	(1,497)	(28,853)	(12,380)
Other income and (expense):			
Interest expense	(88)	(11)	(53)
Interest income	1,272	1,161	1,729
Minority interest	(227)	(135)	149
Other	7,640	919	(469)
	8,597	1,934	1,356
Income (loss) before income taxes	7,100	(26,919)	(11,024)
Income tax expense (benefit)	3,184	1,887	(337)
Net income (loss)	\$ 3,916	\$(28,806)	\$(10,687)
Earnings (loss) per share, primary and fully diluted	\$ .07	\$ (.53)	\$ (.20)
Weighted average shares outstanding (fully diluted)	55,332,541	54,247,664	53,082,078

The accompanying notes are an integral part  
of the consolidated financial statements.

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
(Dollars in Thousands)

<CAPTION>

August 31,	1995	1994
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,752	\$ 10,660
Other short-term investments	1,372	3,811
Accounts and notes receivable, net of allowance for bad debts of \$726 in 1995 and \$826 in 1994	39,578	34,675
Rig materials and supplies	11,532	9,117
Other current assets	5,146	4,029
Total current assets	78,380	62,292
Property, plant and equipment, at cost:		
Drilling equipment	506,130	538,025

Buildings, land and improvements	13,259	14,270
Other	20,470	24,399
Construction in progress	14,759	5,247
	-----	-----
	554,618	581,941
Less accumulated depreciation, depletion and amortization	432,360	454,763
	-----	-----
Net property, plant and equipment	122,258	127,178
	-----	-----
Rig materials and supplies	6,895	9,127
	-----	-----
Deferred charges and other assets:		
Assets held for disposition (Note 2)	2,486	3,518
Notes receivable, net of allowance of \$70 in 1995 and \$224 in 1994	1,817	2,871
Other	5,123	4,362
	-----	-----
Total deferred charges and other assets	9,426	10,751
	-----	-----
Total assets	\$216,959	\$209,348
	-----	-----

The accompanying notes are an integral part  
of the consolidated financial statements.

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
(Dollars in Thousands)

<CAPTION>

August 31,	1995	1994
	-----	-----
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 289	\$ -
Accounts payable	9,539	9,233
Accrued liabilities	7,401	7,336
Accrued income taxes	5,109	5,053
	-----	-----
Total current liabilities	22,338	21,622
	-----	-----
Long-term debt (Note 3)	1,748	-
	-----	-----
Deferred income tax (Note 4)	-	294
	-----	-----
Other long-term liabilities	5,953	3,596
	-----	-----
Minority interest	-	3,253
	-----	-----
Commitments and contingencies (Note 9)		
Preferred stock, \$1 par value, 1,942,000 shares authorized, no shares outstanding	-	-
	-----	-----

Stockholders' equity:		
Common stock, \$.16 2/3 par value, authorized 70,000,000 shares, issued and outstanding 55,722,183 shares (55,112,749 shares in 1994)	9,287	9,185
Capital in excess of par value	205,310	202,403
Retained earnings (accumulated deficit)	(24,391)	(28,307)
Other	(3,286)	(2,698)
	-----	-----
Total stockholders' equity	186,920	180,583
	-----	-----
Total liabilities and stockholders' equity	\$216,959	\$209,348
	-----	-----

The accompanying notes are an integral part  
of the consolidated financial statements.

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Dollars in Thousands)

<CAPTION>

For the Years Ended August 31,                      1995      1994      1993

	<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	\$ 3,916	\$(28,806)	\$(10,687)	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization	21,643	21,950	20,400	
Loss (gain) on disposition of property, plant and equipment	(6,395)	(2,083)	(852)	
Provision for reduction in carrying value of certain assets	-	19,718	-	
Deferred tax expense (benefit)	(294)	(904)	(1,431)	
Amortization of deferred compensation and other	1,820	2,490	5,197	
Change in assets and liabilities:				
Accounts and notes receivable	(4,105)	(10,889)	2,305	
Rig materials and supplies	(627)	(313)	1,696	
Other current assets	(1,364)	(1,356)	(1,934)	
Accounts payable and accrued liabilities	3,319	1,109	573	
Accrued income taxes	56	(238)	(1,349)	
Minority interest	227	135	(149)	
Other assets	(260)	137	(48)	
	-----	-----	-----	
Net cash provided by operating activities	17,936	950	13,721	
	-----	-----	-----	

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from the sale of property, plant and equipment	11,711	4,740	7,150
Capital expenditures	(21,540)	(34,764)	(18,717)
Proceeds from sale of a subsidiary	-	-	2,353
Investments in affiliates	(501)	(140)	(177)
Decrease (increase) in other short-term and long-term investments	2,439	27,608	(7,388)
Other	121	-	-
	-----	-----	-----

Net cash provided by (used in)

investing activities	(7,770)	(2,556)	(16,779)
	-----	-----	-----

The accompanying notes are an integral part of the consolidated financial statements.

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)  
(Dollars in Thousands)

<CAPTION>

For the Years Ended August 31,	1995	1994	1993
-----	-----	-----	-----

<S>	<C>	<C>	<C>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt	\$ 187	\$ -	\$ -
Principal payments under debt obligations	-	-	(777)
Repurchase of common stock	(277)	(304)	(384)
Proceeds from exercise of stock warrant	-	-	4,320
Other	16	-	(819)
	-----	-----	-----

Net cash provided (used) by financing activities	(74)	(304)	2,340
	-----	-----	-----

Net increase (decrease) in cash and cash equivalents	10,092	(1,910)	(718)
--	--------	---------	-------

Cash and cash equivalents at beginning of year	10,660	12,570	13,288
	-----	-----	-----

Cash and cash equivalents at end of year	\$ 20,752	\$ 10,660	\$ 12,570
	-----	-----	-----

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest	\$ 2	\$ 11	\$ 47
Income taxes	\$ 3,422	\$ 3,029	\$ 2,361

Supplemental noncash financing activity:

In November 1994, the Company acquired a limited partner's ownership interest in two consolidated partnerships in exchange for a promissory note in the amount of \$1,850,000.

In May 1995, the Company received rig materials and supplies valued at \$556,000 in lieu of payment on a note due the Company.

The accompanying notes are an integral part of the consolidated financial statements.

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
Consolidated Statement of Redeemable Preferred  
Stock and Stockholders' Equity  
(Dollars in Thousands)

Other



	Redeemable preferred stock Series C	Common stock	Capital in excess of par value	Retained earnings (accumulated deficit)	Currency translation adjustment	Unearned restricted stock plan compensation	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Balances, August 31, 1992	\$ 157	\$9,005	\$197,467	\$11,192	\$(739)	\$(6,744)	
Redemption of preferred stock	(157)						
Activity in employees' stock plans		16	524			2,976	
Acquisition of stock from certain employees	(11)	(373)					
Issuance of 925,000 common shares upon exercise of a warrant at \$4.67 per share	154	4,166					
Net income (loss)			(10,687)				
Cash dividends on preferred stock - \$.75 per share			(6)				
Currency translation adjustments associated with assets of subsidiary sold					866		
Cumulative foreign exchange translation adjustments					(127)		
Balances, August 31, 1993	-	9,164	201,784	499	-	(3,768)	
Activity in employees' stock plans		28	916			1,070	
Acquisition of stock from certain employees	(7)	(297)					
Net income (loss)			(28,806)				
Balances, August 31, 1994	-	9,185	202,403	(28,307)	-	(2,698)	
Activity in employees' stock plans		111	3,175			(588)	
Acquisition of stock from certain employees	(9)	(268)					
Net income			3,916				
Balances, August 31, 1995	\$ -	\$9,287	\$205,310	\$(24,391)	\$ -	\$(3,286)	

The accompanying notes are an integral part of the consolidated financial statements.

</TABLE>

## PARKER DRILLING COMPANY AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 - Summary of Significant Accounting Policies

**Consolidation** - The consolidated financial statements include the accounts of Parker Drilling Company ("Parker Drilling") and all of its majority-owned subsidiaries (collectively, the "Company").

**Drilling Contracts** - The Company recognizes revenue and expenses on day rate contracts as the drilling progresses (percentage-of-completion method) because the Company does not bear the risk of completion of the well. For meterage contracts, the Company recognizes the revenue and expenses upon completion of the well (completed-contract method).

**Cash and Cash Equivalents** - For purposes of the balance sheet and the statement of cash flows, the Company considers cash equivalents to be all highly liquid debt instruments that had a remaining maturity of three months or less at the date of purchase.

**Other Short-term Investments** - Other short-term investments include primarily certificates of deposit, U.S. government securities and commercial paper having remaining maturities of greater than three months at the date of purchase and are stated at the lower of cost or market.

Property, Plant and Equipment - The Company provides for depreciation of property, plant and equipment primarily on the straight-line method over the estimated useful lives of the assets after provision for salvage value. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Management periodically evaluates the Company's assets to determine if they are not in excess of their net realizable value. Management considers a number of factors such as estimated future cash flows, appraisals and current market value analysis in determining net realizable value. Assets are written down to reflect any decrease in net realizable value below their net carrying value (see Note 2).

Rig Materials and Supplies - Since the Company's foreign drilling generally occurs in remote locations, making timely outside delivery of spare parts unlikely, a complement of parts and supplies is maintained for each rig either at the drilling site or in warehouses close to the operations. During periods of high rig utilization, these parts are generally consumed and replenished within a one-year period. During a period of lower rig utilization in a particular location, the parts, like the related idle rigs, are generally not transferred to other foreign locations until new contracts are obtained because of the significant transportation costs which would result from such transfers. The Company classifies those parts which are not expected to be utilized in the following year as long-term assets.

Income Taxes and Change in Accounting Policy - During fiscal 1993, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 109: Accounting for Income Taxes. Prior to the change the Company followed SFAS No. 96: Accounting for Income Taxes. Similar to SFAS No. 96, SFAS No. 109 utilizes the liability method and deferred income taxes (assets) are recorded

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

##### Note 1 - Summary of Significant Accounting Policies (continued)

to reflect the expected tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end. The change in this accounting policy had no effect upon net income for the year ended August 31, 1993.

Earnings (Loss) Per Share - Earnings (loss) per share is computed by dividing net income (loss), as adjusted for dividends on preferred stock, by the weighted average number of common shares outstanding during the period. Common shares issued under the 1969 Key Employees Stock Grant Plan, 1980 Incentive Career Stock Plan and the 1991 Stock Grant Plan are issued and outstanding and are only considered in the computation of weighted average shares outstanding when their effect on earnings per share is dilutive.

Concentrations of Credit Risk - Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade receivables with a variety of national and international oil and natural gas companies. The Company generally does not require collateral on its trade receivables. Such credit risk is considered by management to be limited due to the large number of customers comprising the Company's customer base. The Company places substantially all its interest-bearing investments with major financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. At August 31, 1995, the Company had deposits in domestic banks in excess of federally insured limits of approximately \$.3 million. In addition, the Company had deposits in foreign banks of \$6.2 million which are not federally insured.

Fair Market Value of Financial Instruments - The carrying amount of the Company's cash and short-term investments and short-term and long-term debt had fair values that approximated their carrying amounts.

##### Note 2 - Provision for Reduction in Carrying Value of Certain Assets

During the fourth quarter of fiscal 1994, management analyzed its domestic operations and made the strategic decision to reorganize certain of these operations and sell certain of these assets. In Alaska, the Company decided to reduce operating and administrative costs and to look for

opportunities to joint venture or combine operations with other drilling companies. As a result, the Company reduced the carrying value of certain assets in Alaska, including rigs, spare parts and property that were to be sold. The Company's Partech (Registered Trademark) manufacturing operations were downsized by the sale of land, buildings, equipment and excess inventories, and accordingly, the Company wrote down to net realizable value certain drilling equipment, property and inventories that were sold. In the lower 48 divisions, the Company disposed of a number of mechanical rigs and certain rig equipment which also were written down to net realizable value. Write-offs relating to the lower 48 and Alaska rigs resulted in the removal of 16 rigs from the Company's fleet. Aggregating the items described above, the Company recorded a \$19,718,000 provision during the fourth quarter of fiscal 1994.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 3 - Long-term Debt

<CAPTION>

August 31,	1995	1994
----- (Dollars in Thousands)		
<S>		
Parker Drilling	<C>	<C>
Note payable annually until November 2001 with interest at 5.75%	\$1,850	\$ -
Parker Drilling International of New Zealand, Ltd.		
Note payable monthly through February 2003 to bank with interest at bank's business lending rate plus margin (total rate at August 31, 1995 was 11.5%)	187	-
	-----	-----
Total debt	2,037	-
Less current portion	289	-
	-----	-----
Total long-term debt	\$1,748	\$ -
	-----	-----

</TABLE>

The Company's long-term debt matures \$289,000 each year for the years 1996 through 2000.

The Company has a credit agreement which provides a \$7,500,000 revolving credit facility through March 1, 1996. The credit agreement was subsequently amended in the fourth quarter of fiscal 1995 to extend the expiration date to May 31, 1996. Interest on the revolving credit facility is at prime plus 3/4 of one percent and commitment fees on the unused credit facility are 1/2 of one percent. The agreement requires, among other things, maintenance of minimum working capital and restricts capital expenditures and creation of additional indebtedness. Under this agreement, the payment of dividends on the Company's common stock is limited to the lesser of 40 percent of consolidated net income for the preceding fiscal year or \$2,600,000. At August 31, 1995, all of the credit facility was available for drawdown.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 4 - Income Taxes

Income (loss) before income taxes (in thousands) is summarized as follows:

<CAPTION>

Years Ended August 31,		
-----		
1995	1994	1993

<S>	<C>	<C>	<C>
United States	\$ 1,180	\$(33,929)	\$(11,318)
Foreign	5,920	7,010	294
	\$ 7,100	\$(26,919)	\$(11,024)

</TABLE>

<TABLE>

Income tax expense (benefit) (in thousands) is summarized as follows:  
<CAPTION>

	Years Ended August 31,		
	1995	1994	1993
<S>	<C>	<C>	<C>
Current:			
United States:			
Federal	\$ -	\$ -	\$(110)
State	-	(246)	6
Foreign	3,478	3,037	1,198
Deferred:			
United States:			
Federal	-	(326)	-
State	-	-	-
Foreign	(294)	(578)	(1,431)
	\$3,184	\$ 1,887	\$(337)

</TABLE>

During fiscal 1993, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 109: Accounting for Income Taxes. SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 4 - Income Taxes (continued)

Total income tax expense (benefit) differs from the amount computed by multiplying income (loss) before income taxes by the U.S. federal income tax statutory rate. The reasons for this difference (dollars in thousands) are as follows:

<CAPTION>

	Years Ended August 31,					
	1995	1994	1993	1993	1993	1993
	% of pretax income	% of pretax income	% of pretax income	Amount	Amount	Amount
Computed expected tax expense (benefit)	\$ 2,414	34%	\$(9,153)	(34%)	\$(3,748)	(34%)
Foreign tax at rates different than U.S.	1,171	16%	76	-	(333)	(3%)
Utilization of loss carryforwards	(401)	(5%)	-	-	-	-

Limitation on recognition of tax benefit	-	-	11,536	43%	3,848	35%
Other	-	-	(572)	(2%)	(104)	(1%)

Actual tax expense (benefit)	\$ 3,184	45%	\$ 1,887	7%	\$ (337)	(3%)
------------------------------	----------	-----	----------	----	----------	------

</TABLE>

<TABLE>

The components of the Company's tax assets and (liabilities) as of August 31, 1995 and 1994, are shown below (in thousands):

<CAPTION>

Domestic:		1995	1994
		-----	-----
<S>		<C>	<C>
Deferred tax assets:			
Net operating loss and tax credit carryforwards		\$ 67,259	\$ 67,379
Reserves established against realization of certain assets	1,089	1,455	
Accruals not deducted for tax purposes		4,169	4,561
Depreciation of property, plant and equipment		3,385	8,913
		-----	-----
		75,902	82,308
Deferred tax liabilities:			
Depreciation of property, plant and equipment		(8,408)	(13,503)
		-----	-----
Net deferred tax asset		67,494	68,805
Valuation allowance		(67,494)	(68,805)
		-----	-----
		\$ -	\$ -
		-----	-----

Foreign:

Depreciation of property, plant and equipment		\$ -	\$ 294
		-----	-----
Deferred tax liability		\$ -	\$ 294
		-----	-----

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### Note 4 - Income Taxes (continued)

At August 31, 1995, the Company had \$137,500,000 net operating loss carryforwards for tax purposes which expire over a fifteen year period beginning in the year 2000. In addition, the Company had \$13,600,000 investment tax credit carryforwards for tax purposes which expire over a fifteen year period beginning in the year 1997.

#### Note 5 - Redeemable Preferred Stock

In January 1984, the Company began redeeming annually one-tenth of the \$.75 cumulative Series C preferred stock shares then outstanding and completed the redemption in January 1993.

#### Note 6 - Common Stock and Stock Options

The Company's 1969 Key Employees Stock Grant Plan (formerly the 1969 Key Employees Stock Option Plan) was amended in December 1990 to provide for the issuance of 223,000 shares of common stock for no cash consideration to key non-officer employees. Each employee receiving a grant of shares may dispose of 15 percent of his/her grant on each annual anniversary date from the date of grant for the first four years. On the fifth year anniversary, the employee may dispose of the remaining 40 percent of his/her grant. No shares were granted in fiscal 1995 and 1994. In fiscal 1995, 1,375 shares were cancelled leaving 1,375 shares reserved for issuance or available for granting as of August 31, 1995.

The Company's 1980 Incentive Career Stock Plan ("1980 Plan") provides for the issuance of 2,100,000 shares of common stock for no cash consideration to

key employees. Each employee receiving a grant of shares may dispose of 15 percent of his/her grant on each annual anniversary date from the date of grant for the first four years. On the fifth year anniversary, the employee may dispose of the remaining 40 percent of his/her grant. No shares were granted and no shares were cancelled in fiscal 1994. No shares were granted in fiscal 1995 and 3,500 shares were cancelled leaving 6,250 shares reserved for issuance and available for granting at August 31, 1995.

The Company's 1991 Stock Grant Plan ("1991 Plan") provides for the issuance to officers and key employees of up to 3,160,000 shares of common stock for no cash consideration. Shares granted under the 1991 Plan are fully vested no earlier than 24 months from the effective date of the grant and not later than 36 months. The specific vesting schedule for each grant is determined at the time of grant. During fiscal 1994, 45,000 shares were granted and no shares were cancelled. In fiscal 1995, 545,000 shares were granted and no shares were cancelled leaving 1,580,195 shares reserved for issuance and available for granting at August 31, 1995.

The fair market value of the common stock at date of grant for the Plans is recorded as deferred compensation and amortized to expense over the period during which the restrictions lapse. Deferred compensation is shown as a deduction from stockholders' equity.

During fiscal 1995, 1994 and 1993, the Company purchased 51,279, 41,638 and 64,173 Parker Drilling shares, respectively, from certain of its employees who had received stock grants under the 1991 and 1980 Plans. The Company acquired the shares at the market price (weighted average price

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 6 - Common Stock and Stock Options (continued)

was \$5.40 per share in fiscal 1995, \$7.31 per share in fiscal 1994 and \$5.98 per share in fiscal 1993). The proceeds were used to pay the employees' tax withholding obligations arising from the vesting of shares under the Plans.

The 1994 Non-Employee Director Stock Option Plan ("Director Plan") was approved by shareholders of the Company on December 14, 1994. The Director Plan provides for the issuance of options to purchase up to 200,000 shares of the Company's common stock. The option price per share is equal to the fair market value of a Parker Drilling share on the date of grant. The term of each option is ten years, and an option first becomes exercisable six months after the date of grant. Under the Plan, on the first trade day of each calendar year, each person who is then a non-employee director of the Company will be automatically granted an option to purchase 5,000 shares of common stock.

The 1994 Executive Stock Option Plan ("Option Plan") was approved by shareholders of the Company on December 14, 1994. The Option Plan provides for the granting of a maximum of 2,400,000 shares to key employees and consultants of the Company and its subsidiaries through the granting of stock options, stock appreciation rights and restricted and deferred stock awards. The option price per share may not be less than 50% of the fair market value of a share on the date the option is granted, and the maximum term of a non-qualified option may not exceed fifteen years and the maximum term of an incentive option is ten years.

<TABLE>

Information regarding the Company's stock option plans is summarized below:

<CAPTION>

	1994 Option Plan		
	1994 Director Plan	Incentive Options	Non- qualified Options
	-----	-----	-----
<S>	<C>	<C>	<C>
Shares under option:			
Outstanding at September 1, 1994	-	-	-
Granted	15,000	733,000	147,000
Exercised	-	-	(7,000)

Cancelled	-	-	-
	-----	-----	-----
Outstanding at August 31, 1995	15,000	733,000	140,000
Average option price per share at August 31, 1995	\$4.56	\$4.50	\$2.25
Options exercisable at August 31, 1995	15,000	733,000	42,000

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 6 - Common Stock and Stock Options (continued)

The following is a summary of common stock reserved for issuance at fiscal year end:

<CAPTION>

	1995	1994
	-----	-----
<S>	<C>	<C>
Key employee stock plans	4,180,820	2,127,945
Stock Bonus Plan	186,279	79,867
Warrants<F1>	400,000	400,000
	-----	-----
Total shares reserved for issuance	4,767,099	2,607,812
	-----	-----
	-----	-----

<FN>

<F1>

Warrants for 400,000 shares are exercisable at \$3.88 per share, subject to certain adjustments, no later than October 24, 1995.

</FN>

</TABLE>

Note 7 - Employee Benefit Plans

The Parker Drilling Company Stock Bonus Plan ("Plan") was adopted effective September 1980 for employees of Parker Drilling and its subsidiaries who are U.S. citizens and who have completed one year of service with the Company. It was amended in 1983 to qualify as a 401(k) plan under the Internal Revenue Code which permits a specified percentage of an employee's salary to be voluntarily contributed on a before-tax basis and to provide for a Company matching feature. Participants may contribute from one percent to 15 percent of eligible earnings and direct contributions to one or more of seven investment funds. The Company presently makes dollar-for-dollar matching contributions up to three percent of a participant's compensation. The Company's matching contribution is made in Parker Drilling common stock. The Plan was amended in 1989 to change the vesting schedule to no percent vesting if a participant has less than five years of service and 100 percent vesting if a participant has five or more years of service. Each Plan year, Company contributions can be made, at the discretion of the Board of Directors, in amounts not exceeding the permissible deductions under the Internal Revenue Code. The Company issued 113,399 shares to the Plan in 1995, 123,619 shares in 1994 and 95,177 shares in 1993.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 8 - Business Segments

Information regarding the Company's operations by geographic area is as follows:

<CAPTION>

	1995	1994	1993
	-----	-----	-----
Operations by Geographic Area	(Dollars in Thousands)		
<S>	<C>	<C>	<C>
Revenue:			
United States	\$ 28,487	\$ 30,975	\$ 30,936
Other Western Hemisphere		76,115	52,722
Asia Pacific	44,911	43,445	22,556
Africa, Middle East and C.I.S.		7,858	25,282
	-----	-----	-----
Total revenue	\$157,371	\$152,424	\$100,801
	-----	-----	-----
Operating income (loss):			
United States	\$ (7,609)	\$(30,518)	\$(11,355)
Other Western Hemisphere		(921)	(5,937)
Asia Pacific	8,701	6,771	(1,240)
Africa, Middle East and C.I.S.		(1,668)	831
	-----	-----	-----
Total operating income (loss)	\$ (1,497)	\$(28,853)	\$(12,380)
	-----	-----	-----
Identifiable assets:			
United States	\$ 71,233	\$ 64,337	\$121,130
Other Western Hemisphere		83,345	73,688
Asia Pacific	49,223	43,456	43,176
Africa, Middle East and C.I.S.		13,158	27,867
	-----	-----	-----
Total identifiable assets	\$216,959	\$209,348	\$236,342
	-----	-----	-----

</TABLE>

Two customers accounted for approximately 22 percent and 13 percent, respectively, of total revenue in 1995. Three customers accounted for approximately 14 percent, 12 percent and 11 percent, respectively, of total revenue in 1994. Three customers accounted for approximately 22 percent, 14 percent and 10 percent, respectively, of total revenue in 1993. Operating income (loss) is total revenue less operating expenses including depreciation, depletion and amortization and an allocation of general corporate expenses based on rig operating days. Operating income (loss) excludes interest expense, interest capitalized, non-operating income or expense and income taxes.

#### Note 9 - Commitments and Contingencies

At August 31, 1995, the Company had letters of credit facilities of \$17,651,000 of which \$7,277,000 had been issued.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### Note 9 - Commitments and Contingencies

Certain officers have entered into a Severance Compensation and Consulting Agreement ("the Agreement") with the Company. The Agreement has an initial ten year term and provides certain benefits upon a change in control. A change in control includes certain mergers, sale of all of the Company's assets, liquidation of the Company or a third party acquiring a greater percentage of stock than the aggregate ownership of Robert L. Parker, Robert L. Parker Jr. and Robert L. Parker Trust. After a change in control occurs, if an officer is terminated other than for cause or resigns for good reason, the Agreement provides for a payment of three times the annual cash compensation, a one year consulting agreement at the officer's annual cash compensation, miscellaneous executive benefits and extended life and health benefits for four years.

A former employee ("Plaintiff") was injured while working for the Company



on a rig owned and operated by another firm ("Defendant") for which he sought damages against the firm. Pursuant to the indemnity provision in the contract between the Company and the Defendant, the Company agreed to defend and indemnify the Defendant. The litigation ultimately resulted in a settlement in favor of the Plaintiff totalling \$6,750,000. Because certain findings of fact by the jury created a dispute over the obligations of the Company under the indemnity provision, the Defendant and the Company entered into litigation to determine liability for funding the settlement. This ancillary proceeding also resulted in a settlement, with the Defendant agreeing to pay \$1,687,000 and the Company \$5,063,000.

The Company has filed suit against its excess insurer claiming reimbursement of the compensatory portion of the settlement with the Plaintiff. The Company has also commenced legal proceeding against the counsel retained to defend the Defendant claiming that the Company was damaged in having to indemnify the Defendant for the balance of the settlement with the Plaintiff due to the malpractice/misrepresentation of the counsel. During fiscal 1994, the Company recorded a \$2,562,000 expense related to this litigation.

In addition, the Company is a party to various other lawsuits and claims arising out of the ordinary course of business. Management, after review and consultation with legal counsel, considers that any liability resulting from these matters would not materially affect the results of operations or the financial position of the Company.

#### Note 10 - Related Party Transactions

At August 31, 1995, the Company owned an insurance policy on the life of Mr. R. L. Parker, chairman and a principal stockholder. The Company is the beneficiary of this policy which was issued pursuant to a Stock Purchase Agreement ("Agreement") approved by vote of the stockholders at the 1975 Annual Meeting on December 10, 1975. This Agreement was entered into between the Company and the Robert L. Parker Trust and provides that upon the death of Robert L. Parker, the Company would be required, at the option of the Trust, to purchase from the Trust at a discounted price the amount of Parker Drilling common stock which could be purchased with the proceeds of the policy of \$7,000,000. On August 3, 1994, the Company and the Trust modified this Agreement so that the Company will have the option but not the obligation to

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### Note 10 - Related Party Transactions (continued)

purchase the stock at a discounted price with the proceeds or to retain the entire proceeds upon the death of Robert L. Parker. If action under the agreement had been required at August 31, 1995, and the Company elected to purchase Parker Drilling common stock from the Trust, Parker Drilling's outstanding common stock would have been reduced by approximately three percent.

As a part of the agreement to terminate the option held by the Trust and to grant the Company a limited option to purchase stock at a discounted price, the Company has also agreed to pay a premium of \$655,019 annually for a split dollar last-to-die life insurance policy on Robert L. Parker and Mrs. Robert L. Parker. Upon the deaths of Mr. Parker and Mrs. Parker, the Company will be reimbursed by the Robert L. Parker Sr. and Catherine M. Parker Family Trust from the proceeds of the policy for the full amount of premiums paid plus interest at the one-year treasury bill rate on the premiums paid after fiscal year 1999. Additionally, Robert L. Parker Jr., Chief Executive Officer of the Company and son of Robert L. Parker, will receive as a beneficiary of the Trust one-third of the net proceeds of this policy. The face value of the policy is \$13,200,000.

#### Note 11 - Supplementary Information

Maintenance and repairs expense for the years ended August 31, 1995, 1994 and 1993 was \$14,364,000, \$15,548,000 and \$10,149,000, respectively. Advertising, royalties, taxes other than payroll and income taxes, depreciation and amortization of intangible assets, pre-operating costs and similar deferrals were each less than one percent of total revenue. At August 31, 1995, accrued liabilities included \$1,178,000 of workers' compensation

liabilities and \$2,981,000 of accrued payroll and payroll taxes. At August 31, 1994, accrued liabilities included \$2,236,000 of workers' compensation liabilities and \$2,714,000 of accrued payroll and payroll taxes. Other long-term liabilities included \$1,679,000 and \$1,179,000 of workers' compensation liabilities as of August 31, 1995 and 1994, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

<TABLE>

Note 12 - Selected Quarterly Financial Data (Unaudited)

<CAPTION>

	Quarter					Total
	First	Second	Third	Fourth		
(Dollars in Thousands Except Per Share Amounts)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
FISCAL 1995						
Revenue	\$33,283	\$38,738	\$43,259	\$42,091	\$157,371	
Gross profit <F2>	\$ 1,558	\$ 5,005	\$ 5,666	\$ 5,439	\$ 17,668	
Operating income (loss)	\$(3,457)	\$ (135)	\$ 1,016	\$ 1,079	\$(1,497)	
Net income (loss)	\$(1,093)	\$ 69	\$ 2,050	\$ 2,890	\$ 3,916	
Primary and fully diluted earnings (loss) per share	\$ (.02)	\$ .00	\$ .04	\$ .05	\$ .07	

	Quarter					Total
	First	Second	Third	Fourth<F1>		
(Dollars in Thousands Except Per Share Amounts)						
FISCAL 1994						
Revenue	\$40,043	\$40,732	\$36,679	\$34,970	\$152,424	
Gross profit <F2>	\$ 6,044	\$ 3,751	\$ 1,049	\$ (1,665)	\$ 9,179	
Operating income (loss)	\$ 1,994	\$(1,163)	\$(2,936)	\$(26,748)	\$(28,853)	
Net income (loss)	\$ 1,608	\$ (750)	\$(2,791)	\$(26,873)	\$(28,806)	
Primary and fully diluted earnings (loss) per share	\$ .03	\$ (.01)	\$ (.05)	\$ (.49)	\$ (.53)<F3>	

<FN>

<F1>

The fourth quarter of fiscal 1994 includes a \$19,718,000 Provision for reduction in carrying value of certain assets and a \$2,562,000 charge for litigation discussed in Notes 2 and 9, respectively.

<F2>

Gross profit is calculated by excluding General and administrative expense and Provision for reduction in carrying value of certain assets from Operating income (loss), as reported in the Consolidated Statement of Operations.

<F3>

As a result of shares issued during the year, earnings (loss) per share for the year's four quarters, which are based on average shares outstanding during each quarter, do not equal the annual earnings (loss) per share, which is based on the average shares outstanding during the year.

</FN>

</TABLE>

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

This item is not applicable to the Company in that disclosure is required under Regulation S-X by the Securities and Exchange Commission only if the Company had changed independent auditors and, if it had, only under certain

circumstances.

### PART III

#### Item 10. Directors and Executive Officers of the Registrant

The information required by this item is hereby incorporated by reference from the information appearing under the captions "Proposal One - Election of Directors" and "Executive Officers" in the Company's definitive proxy statement for the Annual Meeting of Stockholders to be held December 13, 1995, to be filed with the Securities and Exchange Commission ("Commission") within 120 days of the end of the Company's fiscal year on August 31, 1995.

#### Item 11. Executive Compensation

The information required by this item is hereby incorporated by reference from the information appearing under the captions "Meetings, Committees and Compensation of the Board", "Executive Compensation", "Severance Compensation and Consulting Agreements", "Compensation Committee Report on Executive Compensation" and "Performance Graph" in the Company's definitive proxy statement for the Annual Meeting of Stockholders to be held December 13, 1995, to be filed with the Commission within 120 days of the end of the Company's fiscal year on August 31, 1995. Notwithstanding the foregoing, in accordance with the instructions to Item 402 of Regulation S-K, the information contained in the Company's proxy statement under the sub-headings "Compensation Committee Report on Executive Compensation" and "Performance Graph" shall not be deemed to be filed as part of or incorporated by reference into this Form 10-K.

#### Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is hereby incorporated by reference from the information appearing under the captions "Voting" and "Common Stock Ownership of Directors and Executive Officers" in the Company's definitive proxy statement for the Annual Meeting of Stockholders to be held December 13, 1995, to be filed with the Commission within 120 days of the end of the Company's fiscal year on August 31, 1995.

#### Item 13. Certain Relationships and Related Transactions

The information required by this item is hereby incorporated by reference to such information appearing under the caption "Certain Relationships and Related Transactions" in the Company's definitive proxy statement for the Annual Meeting of Stockholders to be held December 13, 1995, to be filed with the Commission within 120 days of the end of the Company's fiscal year on August 31, 1995.

<TABLE>

### PART IV

#### Item 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K

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

<CAPTION>

- (1) Financial Statements of Parker Drilling Company and subsidiaries which are included in Part II, Item 8:

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(2) Financial Statement Schedule:

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<TABLE>

<CAPTION>

(3) Exhibits:

Exhibit Number	Description
<S>	<C>
3(a)	- Restated Certificate of Incorporation of Parker Drilling Company; incorporated herein by reference to Exhibit 3(a) to Annual Report on Form 10-K for the year ended August 31, 1989, as amended by Form 8 dated December 27, 1989.
3(b)	- By-laws of Parker Drilling Company; incorporated herein by reference to Exhibit 3(b) to Annual Report on Form 10-K for the year ended August 31, 1992, as amended by Form 8 dated February 18, 1993.
10(a)	- Credit Agreement, dated as of September 24, 1992, between Morgan Guaranty Trust Company of New York, Internationale Nederlanden Bank N.V. and Parker Drilling Company as amended; incorporated herein by reference to Exhibit 10(b) to Annual Report on Form 10-K for the year ended August 31, 1992, as amended by Form 8 dated February 18, 1993; Exhibit(a) to Quarterly Report on Form 10-Q for the quarterly period ended February 28, 1994; Exhibit (a) to Quarterly Report on Form 10-Q for the quarterly period ended May 31, 1994; amendment dated June 30, 1995, to the Credit Agreement, dated as of September 24, 1992, between Morgan Guaranty Trust Company of New York, Internationale Nederlanden Bank N.V. and Parker Drilling Company as amended.

</TABLE>

<TABLE>

PART IV  
(continued)

Item 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K  
(continued)

<CAPTION>

(3) Exhibits: (continued)

Exhibit Number	Description
<S>	<C>
10(b)	- Parker Drilling Company and Subsidiaries 1991 Stock Grant Plan; incorporated herein by reference to Exhibit 10(c) to Annual Report on Form 10-K for the year ended August 31, 1992, as amended by Form 8 dated February 18, 1993.<F1>
10(c)	- 1980 Incentive Career Stock Plan; incorporated herein by reference to Exhibit 10(c) to Annual Report on Form 10-K for the year ended August 31, 1989, as amended by Form 8 dated December 27, 1989.<F1>
10(d)	- 1969 Key Employees Stock Grant Plan; incorporated herein by reference to Exhibit 10(e) to Annual Report on Form 10-K for the year ended August 31, 1992, as amended by Form 8 dated February 18, 1993.<F1>
10(e)	- Parker Drilling Company Stock Bonus Plan; incorporated herein by reference to Exhibit 10(e) to Annual Report on Form 10-K for the year ended August 31, 1993, as amended by Form 10-K/A dated February 24, 1994, and by Exhibit 10(a) to Quarterly Report on Form 10-Q for the quarterly period ended February 28, 1995.
10(f)	- 1975 Stock Purchase Agreement; incorporated herein by reference to Exhibit 10(g) to Annual Report on Form 10-K for the year ended August 31, 1986, as amended by Form 8 dated December 29, 1986.
10(g)	- Form of Severance Compensation and Consulting Agreement entered into between Parker Drilling Company and each officer of Parker Drilling Company; incorporated herein by reference to Exhibit 10(g) to Annual Report on Form 10-K for the year ended August 31, 1988, as amended by Form 8 dated

December 28, 1988 and Form 8 dated October 4, 1989.<F1>

10(h) - 1994 Parker Drilling Company Deferred Compensation Plan.<F1>

10(i) - 1994 Non-Employee Director Stock Option Plan.<F1>

10(j) - 1994 Executive Stock Option Plan.<F1>

21 - Subsidiaries of the Registrant. 36

23 - Consent of Independent Accountants. 37

27 - Financial Data Schedule.

99 - Additional Exhibit - Annual Report on To be

Form 11-K with respect to Parker Drilling filed by

Company Stock Bonus Plan amendment

<FN>

<F1>

Management Contract, Compensatory Plan or Agreement

</FN>

</TABLE>

(b) Reports on Form 8-K:

There were no reports on Form 8-K for the three months ended August 31, 1995.

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES  
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS  
(Dollars in Thousands)

<CAPTION>

Column A	Column B	Column C	Column D	Column E
	Balance	Charged		
	at	to cost	Balance	
	beginning	and	at end of	
Classifications	of period	expenses	Deductions	period

<S> <C> <C> <C> <C>

Year ended August 31, 1995:

Allowance for doubtful accounts and notes	\$ 1,050	\$ -	\$ 254	\$ 796
Reduction in carrying value of rig materials and supplies	\$ 2,230	\$ 870	\$ 1,020	\$ 2,080
Deferred tax valuation allowance	\$68,805	\$(1,311)	\$ -	\$67,494

Year ended August 31, 1994:

Allowance for doubtful accounts and notes	\$ 1,217	\$ -	\$ 167	\$ 1,050
Reduction in carrying value of rig materials and supplies	\$ 1,798	\$ 1,017	\$ 585	\$ 2,230
Deferred tax valuation allowance	\$58,251	\$10,554	\$ -	\$68,805

Year ended August 31, 1993:

Allowance for doubtful accounts and notes	\$ 1,390	\$ -	\$ 173	\$ 1,217
Reduction in carrying value of rig materials and supplies	\$ 4,693	\$ 1,373	\$ 4,268	\$ 1,798
Deferred tax valuation allowance	\$ -	\$58,251	\$ -	\$58,251

</TABLE>

<TABLE>

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.

PARKER DRILLING COMPANY

By /s/ Robert L. Parker Jr. Date: Nov. 2, 1995

-----  
Robert L. Parker Jr.  
President and Chief  
Executive Officer and  
Director

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

<CAPTION>

Signature	Title	Date
-----	----	----
<S>	<C>	<C>
/s/ Robert L. Parker	Chairman of the Board and	
By -----	Director	Date: Nov. 2, 1995
Robert L. Parker		
/s/ Robert L. Parker Jr.	President and Chief Executive	
-----	Officer and Director	
By Robert L. Parker Jr.	(Principal Executive Officer)	Date: Nov. 2, 1995
/s/ James J. Davis	Vice President of Finance and	
-----	Chief Financial Officer	
By -----	(Principal Financial Officer)	Date: Nov. 2, 1995
James J. Davis		
/s/ Randy L. Ellis	Corporate Controller	
By -----	(Principal Accounting Officer)	Date: Nov. 2, 1995
Randy L. Ellis		
/s/ James W. Linn	Executive Vice President and	
-----	Chief Operating Officer and	
By -----	Director	Date: Nov. 2, 1995
James W. Linn		
/s/ Earnest F. Gloyna		
By -----	Director	Date: Nov. 2, 1995
Earnest F. Gloyna		
/s/ David L. Fist		
By -----	Director	Date: Nov. 2, 1995
David L. Fist		
/s/ R. Rudolph Reifrank		
By -----	Director	Date: Nov. 2, 1995
R. Rudolph Reinfrank		

</TABLE>

Exhibit 10(a)

SECOND AMENDMENT  
TO CREDIT AGREEMENT

THIS SECOND AMENDMENT dated as of June 30, 1995 to the Credit Agreement dated as of September 24, 1992 ("Agreement") between Parker Drilling Company, a Delaware corporation (the "Borrower") and Internationale Nederlanden (U.S.) Capital Corporation ("INCC").

WITNESSETH:

-----

WHEREAS, the Borrower and INCC are parties to the Agreement referred to above; and

WHEREAS, the Borrower has requested INCC and INCC has agreed to extend the Standby L/C Commitment Period to May 31, 1996;

WHEREAS, the parties hereto have agreed to such amendment subject to the terms contained herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Borrower and INCC agree as follows:

1. Amendment of Termination Date. The definition of

-----

Termination Date is hereby amended, as follows:

"'Termination Date' shall mean May 31, 1996, or if such day is not a Business Day, the Business Day next preceding such day;"

2. Effectiveness. This Amendment shall become effective as of

-----

the date first written above after being executed by the Borrower and INCC and after Borrower has delivered to INCC Resolutions of the Board of Directors of Borrower approving the execution, delivery and performance of this Amendment.

3. Expenses. The Borrower agrees to pay on demand all

-----

reasonable costs and expenses incurred in connection with the preparation, negotiation, execution and delivery of this Amendment, including reasonable fees and expenses of counsel for INCC.

4. Definitions. Terms defined in the Agreement shall have

-----

their defined meanings when used herein.

5. Effect of Amendment. Except as amended and modified by this

-----

Amendment, the Agreement and all other Loan Documents shall continue to be, and shall remain, in full force and effect in accordance with their terms.

6. Governing Law. This Amendment shall be governed by, and

-----

construed and interpreted in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first written above.

PARKER DRILLING COMPANY

By:/s/ I. E. Hendrix, Jr.

-----  
Name: I. E. Hendrix, Jr.

Title: Vice President-Treasurer

INTERNATIONAL NEDERLANDEN  
(U.S.) CAPITAL CORPORATION

By:/s/ John Catchpole

-----  
Name: John Catchpole

Title: Managing Director



PARKER DRILLING COMPANY  
DEFERRED COMPENSATION PLAN

EFFECTIVE JANUARY 1, 1994

PARKER DRILLING COMPANY DEFERRED COMPENSATION PLAN  
-----

PARKER DRILLING COMPANY (the "Company") adopts, effective as of January 1, 1994, an unfunded, deferred compensation plan on behalf of certain designated management or highly compensated employees of the Company. This document defines the provisions of such plan and shall be known as the "Parker Drilling Company Deferred Compensation Plan."

This plan is intended in part to be an unfunded, deferred compensation plan for a select group of management or highly compensated employees, as described in sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA").

ALL BENEFITS PAYABLE UNDER THIS PLAN CONSTITUTE GENERAL CORPORATE OBLIGATIONS WHICH SHALL BE SUBJECT TO THE CLAIMS OF THE GENERAL CREDITORS OF THE COMPANY IN THE EVENT OF THE COMPANY'S INSOLVENCY.

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ARTICLE

-----  
DEFINITIONS  
-----

The following sections of this Article I provide basic definitions of terms used throughout the Plan, and whenever used herein in a capitalized form, except as otherwise expressly provided, the terms shall be deemed to have the following meanings:

1.1 "Accounting Period" means each business day.

1.2 "Accounts" means the record of a Participant's interest in this Plan represented by his or her:

(a) "Bonus Account" which means a Participant's interest in this Plan composed of Bonus Deferrals posted for each Plan Year on or after January 1, 1994 to the Participant under this Plan, if any (as identified by the Committee) for such Plan Year, plus all income and gains credited to and minus all losses charged to such account, and minus all withdrawals and distributions actually charged to such account; and

(b) "Pre-Tax Account" means a Participant's interest in this Plan composed of Pre-Tax Deferrals posted for each Plan Year on or after January 1, 1994, to the Participant under this Plan, if any (as identified by the Committee) for such Plan Year, plus all income and gains credited to and minus all losses deemed charged to such account from an Investment Fund and minus all withdrawals and distributions actually charged to such account.

1.3 "Authorized Leave of Absence" means an absence, with or without Compensation, authorized on a nondiscriminatory basis by a Commonly Controlled Entity under its standard personnel practices applicable to the Employee, including any period of time during which such person is covered by a short-term disability plan of his Employer. The date that an Employee's Authorized Leave of Absence ends shall be determined in accordance with the personnel policies of such Commonly Controlled Entity, which ending date shall be no earlier than the date that the Authorized Leave of Absence is scheduled to end, unless the Employee communicates to such Commonly Controlled Entity that he is to have a Termination of Employment as of an earlier date.

1.4 "Beneficiary" means with respect to the balance of a Participant's Accounts as of the death of such Participant, each person designated by the Participant on his or her most recent Enrollment Election form approved by the Committee; provided that if a Participant fails to designate a Beneficiary on an Enrollment Election form or if all such designated persons predecease the Participant without the Participant completing a new, approved Enrollment Election form, then Beneficiary means any person designated by the Participant (actually or by default) to receive the balance of any of his or her accounts which are payable with respect to the death of such Participant under the Qualified Plan.

A Beneficiary's participation continues until his or her Accounts are distributed.

1.5 "Board of Directors" means the board of directors of the Company.

1.6 "Bonus Award" means the amount of award payable to a Participant during the Plan Year (without regard to his or her Deferral Election).

1.7 "CEO" means the Chief Executive Officer of the Company.

1.8 "Change of Control" shall be deemed to have occurred if:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's common stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's common stock immediately prior to the merger have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the merger; or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or

(b) the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company; or

(c) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing an amount greater than two times the aggregate percentage held or controlled by R. L. Parker, his son R. L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

(d) any three persons (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company whose ownership represents an amount greater than four times the aggregate percentage held or controlled by R.L. Parker, his son R. L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

(e) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period. A Change of Control shall not be deemed to have occurred if banks or other creditors receive the Company's stock in conjunction with transactions involving forgiveness of outstanding debt or debt restructuring agreements.

(f) at any time an individual is elected to the Board of Directors who was not nominated by the Board of Directors of the Company to stand for election.

1.9 "Committee" means the committee appointed pursuant to the terms of the Plan to manage and control the operation and administration of the Plan which shall be the same committee for the Qualified Plan.

1.10 "Commonly Controlled Entity" means an Employer and any corporation, trade or business which is an affiliate of the Employer.

1.11 "Company" means PARKER DRILLING COMPNAY or any successor corporation by merger, consolidation, purchase, or otherwise.

1.12 "Company Stock" means common stock of Parker Drilling Company.

1.13 "Compensation" means:

(a) for purposes of Pre-Tax Deferrals, pre-tax base pay paid to an Eligible Employee by an Employer during a Plan Year (without regard to any Deferral Election for such Plan Year); and

(b) for purposes of Bonus Deferrals, a Participant's pre-tax Bonus Award.

Notwithstanding the foregoing provisions, Compensation shall include elective amounts excludible from gross income under Code sections 125 and 402(a)(8).

1.14 "Compensation Committee" means the compensation committee of the Board of Directors.

1.15 "Conversion Election" means an election, on such form that may be required by the Committee, by a Participant to change the method of measuring the investment return on such Participant's Accounts by investment of all or some specified portion of such Participant's Accounts from one Investment Fund to another Investment Fund. No Conversion Election shall be deemed to have been given to the Committee unless it is complete and delivered in accordance with the procedures established by such Committee for this purpose.

1.16 "Deferrals" means amounts posted to this Plan by a Participant. Specific types of deferrals include:

(a) "Bonus". An amount posted after 1993 based upon the Participant's Deferral Election to defer some or all of his or her Compensation.

(b) "Pre-Tax". An amount posted after 1993 based upon the Participant's Deferral Election to defer some or all of his or her Compensation.

1.17 "Deferral Election" or "Election" means irrevocable elections made by a Participant (a) to reduce his or her Compensation for a Plan Year by an amount equal to the product of his or her Deferral Percentage and such Compensation subject to the Deferral Election; (b) to select whether Deferrals for that Plan Year will be paid in an Installment Form of Payment; and (c) to select a Payment Date for the Deferrals for that Plan Year.

1.18 "Deferral Percentage" means (a) with respect to Pre-Tax Deferrals, the percentage of a Participant's Compensation for a Plan Year which is to be deferred and posted to this Plan; and (b) with respect to Bonus Deferrals, the percentage of a Participant's Compensation for a Plan Year which is to be deferred and posted to this Plan.

1.19 "Designated Participant" means an individual who is allowed to be a Participant of this Plan because he or she is on the list of Employees as being an Eligible Employee for the purpose of this Plan as determined by the CEO.

1.20 "Effective Date" means January 1, 1994, the date upon which the provisions of this document become effective. In general, the provisions of this document only apply to Participants who are Employees on or after the Effective Date.

1.21 "Eligible Employee" means any Employee (including an Employee on an Authorized Leave of Absence) of an Employer whose Compensation in the calendar year immediately preceding the calendar year with respect to which a Deferral Election is to be effective was higher than the Compensation for seventy-seven percent (77%) of all such Employees for that Plan Year and who is a Designated Participant.

1.22 "Employee" means any person who is considered to be an employee pursuant to the personnel policies of, or on and after a Change of Control, who renders services as a common law employee to, the Employer.

1.23 "Employer" means the Company and any Commonly Controlled Entity whose Employees are eligible to participate in the Plan as determined by the CEO.

1.24 "Enrollment Election" means irrevocable elections made by a Participant (a) to select the term of his or her Installment Form of Payment; and (b) to select the Payment Date of his or her Accounts following Termination of Employment.

1.25 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.26 "Installment Form of Payment" means with respect to each Plan Year's Pre-Tax Account, the term of years selected by the Participant in his or her annual Deferral Election form over which to pay such Pre-Tax Account in annual installments commencing as of the Payment Date of such Pre-Tax Account and payable on each January 1 thereafter over a period of not less than two (2) nor more than ten (10) years (stated as a number of whole integers), with each installment being an amount equal to the amount determined by dividing the applicable balance of such Pre-Tax Account as of the date of payment by the number of dates of payment remaining in the installment period (including the current date of payment).

1.27 "Internal Revenue Code" or "Code" means the Internal Revenue Code of 1986, as amended, any subsequent Internal Revenue Code and final Treasury Regulations. If there is a subsequent Internal Revenue Code, any references herein to Internal Revenue Code sections shall be deemed to refer to comparable sections of any subsequent Internal Revenue Code.

1.28 "Investment Election" means an election, on such form that may be required by the Committee, made by a Participant to direct the method of measuring the investment return on his or her Deferrals by investment of such Deferrals into one or more Investment Funds. No Investment Election shall be deemed to have been given to the Committee unless it is complete and delivered in accordance with the procedures established by such Committee for this purpose.

1.29 "Investment Fund" or "Fund" means one or more of the investment alternatives which are available under the Qualified Plan at any determination date, as determined by the CEO.

1.30 "Notice Date" means the date established by the Committee as the deadline for it to receive a Deferral Election or any other notification with respect to an administrative matter in order to be effective under this Plan which shall be November 30 with respect to each succeeding Plan Year and February 25, 1994 with respect to the 1994 Plan Year.

1.31 "Participant" means an Eligible Employee who begins to participate in the Plan after completing the eligibility requirements. A Participant's participation continues until his Accounts are distributed.

1.32 "Payment Date" means:

(a) with respect to each Plan Year, the date designated by a Participant to distribute or commence to distribute his or her Pre-Tax or Bonus Account for that Plan Year; and

(b) with respect to a Termination of Employment, the date designated by a Participant for all of his or her Accounts to be distributed or commence to be distributed which date is not later than the first day of the fifteenth (15th) month following a Participant's Termination of Employment.

1.33 "Plan" means the PARKER DRILLING COMPANY DEFERRED COMPENSATION PLAN, as set forth herein and as hereafter may be amended from time to time.

1.34 "Plan Year" means the annual accounting period of the Plan which ends on each December 31.

1.35 "Qualified Plan" means the PARKER DRILLING COMPANY STOCK BONUS PLAN, as amended from time to time.

1.36 "Settlement Date" means the date on which financial transactions from a Trade Date are settled with cash or an interest in an Investment Fund.

1.37 "Spouse" means a person who, as of the earlier of a Participant's Payment Date and death, is alive and married to the Participant within the meaning of the laws of the State of the Participant's residence as evidenced by a valid marriage certificate or other proof acceptable to the Committee.

1.38 "Sweep Date" means the date established by the Committee as the cutoff date and time for the Committee to receive notification with respect to a financial transaction in order to be executed with respect to such Trade Date.

1.39 "Termination of Employment" occurs when a person ceases to be an Employee (1) as determined by the personnel policies of the Company, or (2) on and after a Change of Control. Transfer of employment from the Company, or from one affiliate of the Company to another affiliate of the Company, shall not constitute a Termination of Employment for purposes of this Plan.

1.40 "Trade Date" means the date as of which a financial transaction is executed (e.g. Investment Election, Conversion Election, Payment Date).

## ARTICLE II

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### PARTICIPATION

2.1 Eligibility. On or after the Effective Date, each individual who is an Eligible Employee on a January 1st shall become a Participant for that Plan Year if he has a Deferral Election in effect for that Plan Year.

2.2 New Hires. On or after the Effective Date, each individual who is employed as an Eligible Employee shall become a Participant for that Plan Year if he has a Deferral Election in effect for that Plan Year.

## ARTICLE III

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### PARTICIPANT DEFERRALS

#### 3.1 Deferral Election.

(a) For each Plan Year commencing on or after January 1, 1994, a Participant who is an Eligible Employee and who desires to have Pre-Tax Deferrals made on his or her behalf shall file a Deferral Election pursuant to procedures specified by the Committee specifying (1) his or her Deferral Percentage of not less than 2% and not more than 100% (stated as a whole integer percentage) and authorizing the Compensation otherwise payable to him or her for a Plan Year to be reduced and deferred hereunder to such Participant's Payment Date which shall not be earlier than two (2) full Plan Years after the date the Deferral Election is received by the Committee; and (2) whether or not the Pre-Tax Account created with respect to such Plan Year will be distributed in the Installment Form of Payment.

(b) For each Plan Year commencing on or after January 1, 1994, a Participant who is an Eligible Employee and who desires to have a Bonus Deferral made on his or her behalf shall file a Deferral Election pursuant to procedures specified by the Committee specifying his or her Deferral Percentage of not less than 5% nor more than 100% (stated as a whole integer percentage) and authorizing his or her Compensation payable for a Plan Year to be reduced and deferred hereunder to a fixed Payment Date not earlier than two (2) full Plan Years after the date the Deferral Election is received by the



Committee; provided however, a Participant's Deferral Election shall be limited to that percentage of his or her Compensation subject to the Deferral Election which will result in no deferral of an amount equal to the Employee's portion of taxes imposed by the Federal Insurance Contributions Act with respect to the Bonus Award, unless such Participant has made other arrangements with and acceptable to the Committee for payment of such taxes.

(c) Notwithstanding Subsection (a) or (b) hereof, for any Plan Year the Committee may, without amending this Plan, determine that the maximum Deferral Percentage shall be greater or lesser than the percentages set forth in Subsection (a) or (b) hereof. Otherwise, the maximum Deferral Percentage as provided in Subsection (a) or (b) hereof shall apply.

(d) Any Deferral Election which has not been properly completed, or which is submitted at a time when the Participant does not have outstanding a properly completed Investment Election, if permitted, will be deemed not to have been received and be void. A Participant's Deferral Election shall be effective only if received by the Committee on or before the Notice Date for a Plan Year.

3.2 Election Procedures. If properly received by the Committee, a Deferral Election will be effective only with respect to Compensation paid in a Plan Year to which the Deferral Election applies and only with respect to Compensation paid after the Notice Date for the Deferral Election. Consistent with the above, the Committee may establish rules and procedures governing when a Deferral Election will be effective and what Compensation will be deferred by the Deferral Election; provided such rules and procedures are not more permissive than the terms and provisions of this Plan.

3.3 Coordination with Qualified Plan. Notwithstanding a Participant's Deferral Election, if a Participant makes a "401(k) Hardship" withdrawal from the Qualified Plan during a Plan Year, the "401(k) Hardship" withdrawal rules of the Qualified Plan, which are intended to be applicable to this Plan, are incorporated by reference herein and made a part hereof, but only to the extent required by Treas. Reg. Section 1.401(k)-1, in order for the Qualified Plan to be a qualified cash or deferral arrangement.

ARTICLE IV

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DEFERRALS AND POSTING

4.1 Pre-Tax Deferrals.

(a) Frequency and Eligibility. Subject to the limits of the Plan and to the Committee's authority to limit Deferrals under the terms of this Plan, for each period for which a Deferral Election is in effect, the Employer shall post to each Participant's Pre-Tax Account an amount equal to the amount designated by the Participant as a Pre-Tax Deferral on his or her Deferral Election.

(b) Posting. Pre-Tax Deferrals made during an Accounting Period shall be posted to each Participant's Pre-Tax Account by the Committee as of the date such Compensation amount would otherwise have been paid to the Participant.

4.2 Bonus Deferral.

(a) Frequency and Eligibility. For each period after 1994 for which a Deferral Election is in effect, the Company shall post to this Plan on behalf of each Participant an amount equal to the amount designated by the Participant as a Bonus Deferral on his or her Deferral Election.

(b) Posting. The Bonus Deferral shall be posted to the Bonus Deferral Account of such Participant as of the date his or her Bonus Award would otherwise have been paid to the Participant.

ARTICLE V

## PARTICIPANTS' ACCOUNTS

### 5.1 Individual Participant Accounting.

(a) Account Maintenance. The Committee shall cause the Accounts for each Participant to reflect amounts posted to the Accounts and the measurement of investment returns on such Accounts in accordance with this Plan. Investment returns during or with respect to an Accounting Period shall be accounted for at the individual account level by posting such returns to each Account of each affected Participant. Account values shall be maintained in shares, units or dollars.

(b) Trade Date Accounting and Investment Cycle. For any financial transaction involving a change in the measurement of investment returns, withdrawals or distributions to be executed as of a Trade Date, the Committee must receive instructions by the Sweep Date and such instructions shall apply only to amounts posted to the Accounts as of the Trade Date. Such financial transactions in an Investment Fund shall be posted to a Participant's Accounts as of the Trade Date and based upon the Trade Date values. All such transactions shall be effected on the Settlement Date (or as soon as is administratively feasible) relating to the Trade Date as of which the transaction occurs.

(c) Suspension of Transactions. Whenever the Committee considers such action to be appropriate, the Committee, in its discretion, may suspend from time to time the Trade Date.

(d) Error Correction. The Committee may correct any errors or omissions in the administration of this Plan by restoring or charging any Participant's Accounts with the amount that would be credited or charged to the Accounts had no error or omission been made.

5.2 Accounting for Investment Funds. The Committee is responsible for determining the dollar value or a share or unit value of each Investment Fund as of each Trade Date. Fees and expenses incurred for the management and maintenance of Investment Funds shall be charged at the Investment Fund level and reflected in the net gain or loss of each Investment Fund.

## ARTICLE VI

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### INVESTMENT FUNDS AND ELECTIONS

6.1 General. This Article will govern investment directions, if permitted by the Committee. If no investment directions by Participants are allowed by the Committee, Section 6.4 will control.

### 6.2 Investment of Deferrals.

(a) Investment Election. Each Participant may direct, by submission to the Committee of a completed Investment Election form provided for that purpose by the Committee, to select a measurement of investment returns for Deferrals posted to his or her Accounts (and the portion of such Accounts attributable to such Deferrals) by investment of such Deferrals (and such portion of Accounts) in one or more Investment Funds. Each Investment Election shall apply proportionately to all Deferrals based upon the relative amount of each. The frequency with which a Participant can make new Investment Elections shall be determined by the Committee.

(b) Effective Date of Investment Election; Change of Investment Election. A Participant's initial Investment Election will be effective with respect to a Fund on the Trade Date which relates to the Sweep Date on which or prior to which the Investment Election is received pursuant to procedures specified by the Committee. Any Investment Election which has not been properly

completed will be deemed not to have been received. A Participant's Investment Election shall continue in effect, notwithstanding any change in his or her Compensation or his or her Deferral Percentage, until the effective date of a new Investment Election. A change in Investment Election shall be effective with respect to a Fund on the Trade Date which relates to the Sweep Date on which or prior to which the Committee receives the Participant's new Investment Election.

6.3 Investment of Accounts.

(a) Conversion Election. Notwithstanding a Participant's Investment Election, a Participant or Beneficiary may direct, by submission of a completed Conversion Election form provided for that purpose to the Committee, to change the measurement of investment returns of his or her Accounts from one Investment Fund to another Investment Fund. Each Conversion Election shall apply proportionately to all affected Accounts based upon the relative balance of each.

(b) Effective Date of Conversion Election. A Conversion Election to change a Participant's measurement of investment returns of his or her Accounts in one Investment Fund to another Fund shall be effective with respect to such Funds on and after the Trade Date which relates to the Sweep Date on which or prior to which the Conversion Election is received pursuant to procedures specified by the Committee. Notwithstanding the foregoing, to the extent required by any provisions of an Investment Fund, the effective date of any Conversion Election may be delayed or the amount of any permissible Conversion Election may be reduced. Any Conversion Election which has not been properly completed will be deemed not to have been received.

6.4 Investment Returns on Pre-Tax Deferrals. If no investment directions are given by a Participant, his or her Accounts shall be deemed to have been invested in an interest bearing investment. The rate of interest compounded annually deemed to be earned on such Accounts on any day shall be a rate set by the Compensation Committee and announced no later than November 30 for the immediately succeeding Plan Year, and for the 1994 Plan Year shall be the rate announced November 30, 1993; provided however, in no event shall such rate of interest with respect to any Plan Year be less than the prime rate of interest quoted by Citibank, N.A. on the date of announcement, or if no announcement, on November 30. For this purpose, the Trade Date and Settlement Date are the same date as the Payment Date.

6.5 Restrictions on Investment. The following additional restrictions shall apply to the investment of Deferrals and Accounts:

(a) No Investment Election or Conversion Election shall be permitted which results in the investment of a Participant's Accounts in an Investment Fund invested primarily in Company Stock; and

(b) Any limitations, conditions or restrictions which may be imposed by the Committee.

ARTICLE VII

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VESTING AND FORFEITURES

7.1 Fully Vested Accounts. A Participant shall be fully vested and have a nonforfeitable right to his Accounts at all times.

ARTICLE VIII

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## IN-SERVICE WITHDRAWALS

### 8.1 Withdrawals for General Hardship.

(a) Requirements. A Participant may request the withdrawal of the amount from his or her Accounts (but no more than the balance of the Accounts) needed to satisfy a financial need by submitting a completed withdrawal request to the Committee.

(b) Financial Need. A financial need for this purpose is a severe, unanticipated hardship, the occurrence of which is beyond the Participant's control and for which the amount needed to satisfy the hardship is determined only after the Participant has used all reasonably available funds or resources (other than this Plan or the Qualified Plan).

### 8.2 Withdrawal Processing.

(a) Minimum Amount. The minimum amount for any type of withdrawal is \$1,000.00.

(b) Application by Participant. A Participant must submit a completed withdrawal request form to the Committee to apply for any type of withdrawal.

(c) Approval by Committee. The Committee is responsible for determining that a withdrawal request conforms to the requirements described in this Article.

(d) Time of Processing. The Company shall process all withdrawal requests which it receives by a Sweep Date, based on the value as of the Trade Date to which it relates, and fund them on the next Settlement Date. The Company shall then make payment to the Participant as soon thereafter as is administratively feasible.

(e) Medium and Form of Payment. The medium of payment for withdrawals is cash. The form of payment for withdrawals shall be a single payment.

(f) Investment Fund Sources. Within each Account used for funding a withdrawal, amounts shall be taken in direct proportion to the value of the Participant's Account in each Investment Fund at the time the withdrawal is made.

## ARTICLE IX

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### DISTRIBUTIONS

Benefits payable under this Plan shall be paid in the form and time prescribed below.

#### 9.1 Pre-Tax Accounts.

(a) Form of Payment. The form of payment of the balance of a Participant's Pre-Tax Account for a Plan Year will be a single sum payment except with respect to those Accounts for which the Participant has selected the Installment Form of Payment on his or her Deferral Election form, in which case such Pre-Tax Accounts will be paid in the Installment Form of Payment.

(b) Time of Payment. The Payment Date of the balance of a Participant's Pre-Tax Account for a Plan Year shall be the earlier of (1) the Payment Date selected in his or her annual Deferral Election form or (2) the Payment Date following a Termination of Employment selected in his or her Enrollment Election form.

#### 9.2 Bonus Account.

(a) Form of Payment. The form of payment of the balance of a Participant's Bonus Account for each Plan Year will be a single sum payment.

(b) Time of Payment. The Payment Date of the balance of a Participant's Bonus Account for each Plan Year shall be the earlier of (1) the fixed Payment Date selected by the Participant on the Deferral Election form for the Plan Year or (2) the Payment Date following a Termination of Employment selected in his or her Enrollment Election form.

9.3 Death Benefit of Accounts. Upon the death of a Participant, the remaining balance in his or her Accounts shall be paid to the Participant's Beneficiary in a single sum as soon as administratively possible after the Participant's death; provided however, if such payment will result in any portion of the payment (or any other amount paid to such Beneficiary during the same Plan Year) not being deductible by reason of Code section 162(m), the Committee may defer payment to a later Payment Date designated by it and such Accounts shall continue to be invested under this Plan.

9.4 Payment of Accounts Due to a Change of Control. In the event of a Participant's Termination of Employment within two (2) years following a Change of Control, the balances of his or her Accounts shall be paid immediately in a single sum.

## ARTICLE X

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### AMENDMENT, TERMINATION, MERGER AND CHANGE OF CONTROL

The Company by action of the Compensation Committee reserves the right to amend this Plan from time to time or to terminate this Plan at any time; provided, however, without the written consent of each Participant and Beneficiary of a deceased Participant, no such action may reduce or relieve the Company of any obligation to pay any balance of Accounts maintained under this Plan as of the date of such amendment or termination. Furthermore, if the Company should ever amend this Plan to provide interest accruals for a Plan Year of less than the prime rate of interest quoted by Citibank, N.A. on the date the interest is established by the Compensation Committee for such Plan Year, without also implementing Participant investment directions into Investment Funds, this Plan shall terminate. Upon termination of this Plan, all Account balances shall be paid immediately in cash in a lump sum to the Participant or Beneficiary thereof.

## ARTICLE XI

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### MISCELLANEOUS PROVISIONS

11.1 Administration. This Plan shall be administered by the Committee. The Committee shall have, to the extent appropriate, the same powers, rights, duties, and obligations with respect to this Plan as the Committee of the Qualified Plan has under each such document (other than the power to amend this Plan). In the event a Participant who is a member of the Committee or who is the CEO has an issue pending before the Committee, such Participant, if a member of the Committee, may not act on, or otherwise participate in, the Committee's action on such issue, and if the CEO, the Committee shall defer authority for action on such issue to the Compensation Committee.

11.2 Finality of Determination. The determination of the Committee as to any disputed questions arising under this Plan, including questions of construction and interpretation shall be final, binding, and conclusive upon all persons.

11.3 Expenses. The expenses of administering this Plan shall be borne by the Company.

11.4 Indemnification and Exculpation. The members of the Committee, its agents and officers, directors and employees of the Company shall be indemnified and held harmless by the Company against and from any and

all loss, cost, liability, or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit, or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding. The foregoing provision shall not be applicable to any person if the loss, cost, liability, or expense is due to such person's gross negligence or willful misconduct.

11.5 Funding. While all benefits payable under this Plan constitute general corporate obligations, the Company may establish a separate irrevocable grantor trust for the benefit of all Participants, which trust shall be subject to the claims of the general creditors of the Company in the event of the Company's insolvency, to be used as a reserve for the discharge of the Company's obligations under this Plan to such Participants. Any payments made to a Participant under the separate trust for his benefit shall reduce dollar for dollar the amount payable to the Participant from the general assets of the Company. The amounts payable under this Plan shall be reflected on the accounting records of the Company but shall not be construed to create or require the creation of a trust, custodial, or escrow account, except as described above in this section. No Participant (or Beneficiary of a Participant) shall have any right, title, or interest whatever in or to any investment reserves, accounts, or funds that the Company may purchase, establish, or accumulate to aid in providing benefits under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create a trust or fiduciary relationship of any kind between the Company, the Committee and a Participant, Beneficiary or any other person. Neither a Participant nor Beneficiary shall acquire any interest greater than that of an unsecured creditor.

11.6 Corporate Action. Any action required of or permitted by the Company under this Plan shall be by resolution of the Compensation Committee or any person or persons authorized by resolution of the Compensation Committee.

11.7 Interests not Transferable. The interests of the Participants and their Beneficiaries under this Plan are not subject to the claims of their creditors and may not be voluntarily or involuntarily transferred, assigned, alienated, or encumbered by them.

11.8 Effect on Other Benefit Plans. Amounts credited or paid under this Plan shall not be considered to be compensation for the purposes of the Qualified Plan maintained by the Company. The treatment of such amounts under other employee benefits plans shall be determined pursuant to the provisions of such plans.

11.9 Legal Fees and Expenses. After a Change of Control, the Company shall pay all legal fees and expenses which the Participant may incur as a result of the Company's contesting the validity, enforceability or the Participant's interpretation of, or determinations under, this Plan.

11.10 Deduction of Taxes from Amounts Payable.

(a) Distribution. The Company shall deduct from the amount to be distributed such amount as the Company, in its sole discretion, deems proper to protect the Company against liability for the payment of death, succession, inheritance, income, or other taxes, and out of money so deducted, the Company may discharge any such liability and pay the amount remaining to the Participant, the Beneficiary or the deceased Participant's estate, as the case may be.

(b) Withholding. The Company may withhold whatever taxes (including FICA, state or federal taxes) it, in its sole discretion, deems proper to protect the Company against liability for the payment of such withholding taxes and out of the money so deducted, the Company may discharge any such liability. Withholding for this purpose may come from any wages due to the Participant, or if none, from the Participant's Accounts hereunder.

11.11 Facility of Payment. If a Participant or Beneficiary is

declared an incompetent or is a minor and a conservator, guardian, or other person legally charged with his or her care has been appointed, any benefits to which such Participant or Beneficiary is entitled shall be payable to such conservator, guardian, or other person legally charged with his or her care. The decision of the Committee in such matters shall be final, binding, and conclusive upon the Company and upon each Participant, Beneficiary, and every other person or party interested or concerned. The Company and the Committee shall not be under any duty to see to the proper application of such payments.

11.12 Company Merger. This Plan shall be binding and enforceable against any successor corporation to the Company, by merger, consolidation, purchase or otherwise, and such successor corporation shall be substituted hereunder for the Company.

11.13 Gender and Number. Except when the context indicates to the contrary, when used herein, masculine terms shall be deemed to include the feminine, and singular the plural.

11.14 Invalidity of Certain Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and this Plan shall be construed and enforced as if such provisions, to the extent invalid or unenforceable, had not been included.

11.15 Headings. The headings or articles are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

11.16 Notice and Information Requirements. Except as otherwise provided in this Plan or as otherwise required by law, the Employer shall have no duty or obligation to affirmatively disclose to any Participant or Beneficiary, nor shall any Participant or Beneficiary have any right to be advised of, any material information regarding the Employer, at any time prior to, upon or in connection with the Employer's purchase, or any other distribution or transfer (or decision to defer any such distribution) of any Company Stock or any other stock held under this Plan.

11.17 Governing Law. This Plan shall be governed by the laws of the State of Oklahoma.

Executed in one counterpart original this 4th day of October, 1994, but effective as of the Effective Date.

PARKER DRILLING COMPANY

By:/s/JAMES J. DAVIS

-----  
James J. Davis

Title:

-----  
Vice President of Finance  
& Chief Financial Officer

EXHIBIT 10(i)

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Parker Drilling Company  
1994 Non-Employee  
Director Stock Option Plan

PARKER DRILLING COMPANY  
1994 NON-EMPLOYEE  
DIRECTOR STOCK OPTION PLAN

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PARKER DRILLING COMPANY

1994 NON-EMPLOYEE  
DIRECTOR STOCK INCENTIVE PLAN

ARTICLE I

Establishment

1.1 Purpose.

The Parker Drilling Company 1994 Director Stock Incentive Plan ("Plan") is hereby established by Parker Drilling Company ("Company"). The purpose of the Plan is to promote the overall financial objectives of the Company and its shareholders by motivating directors of the Company who are not employees to achieve long-term growth in shareholder equity in the Company and to retain

the association of those individuals. The Plan and the grant of awards thereunder is expressly conditioned upon the Plan's approval by the security holders of the Company to the extent required by Rule 16b-3 of the Securities Exchange Act of 1934, as amended.

## ARTICLE II

### Definitions

For purposes of the Plan, the following terms are defined as set forth below:

2.1 "Affiliate" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company including, without limitation, any member of an affiliated group of which the Company is a common parent corporation as provided in Section 1504 of the Code.

2.2 "Agreement" or "Option Agreement" means, individually or collectively, any agreement entered into pursuant to the Plan pursuant to which an Option is granted to a Participant.

2.3 "Board of Directors" or "Board" means the Board of Directors of the Company.

2.4 "Cause" means an act or acts of dishonesty by the Participant constituting a felony under applicable law and resulting or intending to result directly or indirectly in gain to or personal enrichment of the Participant at the Company's expense. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution, duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for that purpose (after reasonable notice to him or her has been given or has been made and an opportunity for him or her, together with his or her counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant was guilty of conduct set forth above in the first sentence hereof and specifying the particulars thereof in detail.

2.5 "Change in Control" means the happening of any of the following events:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's common stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's common stock immediately prior to the merger have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the merger; or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or

(b) the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company; or

(c) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing an amount greater than two times the aggregate percentage held or controlled by R. L. Parker, his son R. L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

(d) any three persons (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities

of the Company whose ownership represents an amount greater than four times the aggregate percentage held or controlled by R. L. Parker, his son R. L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

(e) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period. A Change of Control shall not be deemed to have occurred if banks or other creditors receive the Company's stock in conjunction with transactions involving forgiveness of outstanding debt or debt restructuring agreements.

(f) at any time an individual is elected to the Board of Directors who was not nominated by the Board of Directors of the Company to stand for election.

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2.6 "Change in Control Price" means the highest price per share (a) paid in any transaction reported on the New York Stock Exchange Composite or other national exchange on which such shares are listed or on NASDAQ, or (b) paid or offered in any bona fide transaction related to a potential or actual Change in Control of the Company at any time during the preceding sixty (60) day period as determined by the Committee.

2.7 "Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, final Treasury Regulations thereunder and any subsequent Internal Revenue Code.

2.8 "Commission" means the Securities and Exchange Commission or any successor agency.

2.9 "Committee" means the person or persons who administer the Plan, as further described in the Plan.

2.10 "Common Stock" means the shares of the regular voting Common Stock, \$.16 2/3 par value per share, whether presently or hereafter issued, and any other stock or security resulting from adjustment thereof as described hereinafter or the common stock of any successor to the Company which is designated for the purpose of the Plan.

2.11 "Company" means the Parker Drilling Company, a Delaware corporation, and includes any successor or assignee corporation or corporations into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

2.12 "Director" means each and any director who serves on the Board and who is not an officer or employee of the Company or any of its Affiliates.

2.13 "Disability" means a permanent and total disability as determined under procedures established by the Committee for purposes of the Plan. The determination of Disability for purposes of this Plan shall not be construed to be an admission of disability for any other purpose.

2.14 "Disinterested Person" shall have the meaning set forth in Rule 16b-3, or any successor definition adopted by the Commission.

2.15 "Effective Date" means December 14, 1994 or such other date specified by the Board at the time the Plan is approved by the Board.

2.16 "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2.17 "Fair Market Value" means, except as otherwise provided in this

Plan, the mean, as of any given date, between the highest and lowest reported sales prices of the Common Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, any other national exchange on which the Common Stock is listed or on NASDAQ. If there is no regular public trading market for such stock, the Fair Market Value of the Common Stock shall be determined by the Committee in good faith.

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2.18 "Grant Date" means (a) with respect to a Director on the Effective Date, the first business day of the New York Stock Exchange in calendar year 1995, and (b) with respect to any person who continues as a Director or who becomes a Director after the Effective Date, the first business day of the principal exchange on which the Common Stock is traded (or, if applicable, NASDAQ) in the calendar year immediately following each annual meeting of shareholders of the Company (provided the person is a Director on such date).

2.19 "Notice Date" means the date established by the Committee as the deadline for it to receive a Deferral Election or any other notification with respect to an administrative matter in order to be effective under this Plan.

2.20 "Option" means the right to purchase the number of shares of Common Stock specified by the Plan at a price and for a term fixed by the Plan, and subject to such other limitations and restrictions as the Plan and the Committee imposes.

2.21 "Option Period" means the period during which the Option shall be exercisable in accordance with the Agreement and the Plan.

2.22 "Option Price" means the price at which the Common Stock may be purchased under an Option.

2.23 "Participant" means any Director to whom an Option has been granted under the Plan, and in the event a Representative is appointed for a Participant or a former spouse becomes a Representative, then the term "Participant" shall mean such appointed Representative, successor Representative, or spouse as the case may be. The term shall also include any person or entity to whom an Option has been transferred, including a trust for the benefit of the Participant, the Participant's parents, spouse or descendants, a partnership, the partners of which include any of the foregoing, or a custodian under a uniform gifts to minors act or similar statute for the benefit of the Participant's descendants, to the extent permitted herein. Notwithstanding the foregoing, the term "Termination of Directorship" shall mean the Termination of Directorship of the Participant.

2.24 "Plan" means the Parker Drilling Company 1994 Director Stock Option Plan, as herein set forth and as may be amended from time to time.

2.25 "Representative" means (a) the person or entity acting as the executor or administrator of a Participant's estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had the Participant's primary residence at the date of the Participant's death; (b) the person or entity acting as the guardian or temporary guardian of a Participant; (c) the person or entity which is the beneficiary of the Participant upon or following the Participant's death; or (d) any person to whom an Option has been permissibly transferred; provided that only one of the foregoing shall be the Representative at any point in time as determined under applicable law and recognized by the Committee.

2.26 "Rule 16b-3" means Rule 16b-3, as promulgated under the Exchange Act, as amended from time to time, or any successor thereto.

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2.27 "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

2.28 "Spread" means (a) prior to a Change in Control, the amount, on the relevant date, by which the Fair Market Value of Common Stock exceeds the Option Price and (b) with respect to a Change in Control, the amount by which the Change in Control Price exceeds the Option Price.

2.29 "Termination of Directorship" means the occurrence of any act or event that actually or effectively causes or results in the person's ceasing, for whatever reason, to be a Director of the Company or of any Affiliate,

including, without limitation, death, Disability, removal, severance at the election of the Participant, retirement, failure to be elected or stand for election as a Director, or severance as a result of the discontinuance, liquidation, sale or transfer by the Company or its Affiliates of all businesses owned or operated by the Company or its Affiliates.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

### ARTICLE III

#### Administration

3.1 Committee Structure and Authority. The Plan shall be administered by the Committee which, except as provided herein, may be comprised of one or more persons. The Committee shall be the Compensation Committee of the Board of Directors, unless such committee does not exist or the Board establishes a committee whose sole purpose is the administration of this Plan; provided that only those members of the Compensation Committee of the Board who participate in the decision relative to Options under the Plan shall be deemed to be part of the "Committee" for purposes of the Plan. In the absence of an appointment, the Board or the portion thereof that is a Disinterested Person shall be the Committee. A majority of the Committee shall constitute a quorum at any meeting thereof (including telephone conference) and the acts of a majority of the members present, or acts approved in writing by a majority of the entire Committee without a meeting, shall be the acts of the Committee for purposes of this Plan. The Committee may authorize any one or more of its members or an officer of the Company to execute and deliver documents on behalf of the Committee. A member of the Committee shall not exercise any discretion respecting himself or herself under the Plan. Any member of the Committee may resign upon notice to the Board. The Committee may allocate among one or more of its members, or may delegate to one or more of its agents, such duties and responsibilities as it determines.

Among other things, the Committee shall have the authority, subject to the terms of the Plan and the limitation of Rule 16b-3 so that the Plan is described therein:

(a) to determine the terms and conditions of any Option hereunder (including, but not limited to, the Option Price and Period, any exercise restriction or limitation and any exercise acceleration or forfeiture waiver regarding any Option and the shares of Common Stock relating thereto);

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(b) to adjust the terms and conditions, at any time or from time to time, of any Option, subject to the limitations of Section 7.1;

(c) to provide for the forms of Agreement to be utilized in connection with this Plan;

(d) to determine whether a Participant has a Disability or a retirement;

(e) to determine what securities law requirements are applicable to the Plan, Options, and the issuance of shares of Common Stock and to require of a Participant that appropriate action be taken with respect to such requirements;

(f) to cancel, with the consent of the Participant or as otherwise provided in the Plan or an Agreement, outstanding Options;

(g) to interpret and make a final determination with respect to the remaining number of shares of Common Stock available under Article IV;

(h) to require as a condition of the exercise of an Option or the issuance or transfer of a certificate of Common Stock, the withholding from a Participant of the amount of any federal, state or local taxes as may be necessary in order for the Company or any other employer to obtain a deduction or as may be otherwise required by law;

(i) to determine whether and with what effect an individual has

incurred a Termination of Directorship;

(j) to determine whether the Company or any other person has a right or obligation to purchase Common Stock from a Participant and, if so, the terms and conditions on which such Common Stock is to be purchased;

(k) to determine the restrictions or limitations on the transfer of Common Stock;

(l) to determine whether an Option is to be adjusted, modified or purchased, or is to become fully exercisable, under the Plan or the terms of an Agreement;

(m) to determine the permissible methods of Option exercise and payment, including cashless exercise arrangements;

(n) to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of this Plan; and

(o) to appoint and compensate agents, counsel, auditors or other specialists to aid it in the discharge of its duties.

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The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Option issued under the Plan (and any Agreement) and to otherwise supervise the administration of the Plan. The Committee's policies and procedures may differ with respect to Options granted at different times and to different Participants.

Any determination made by the Committee pursuant to the provisions of the Plan shall be made in its sole discretion, and in the case of any determination relating to an Option, may be made at the time of the grant of the Option or, unless in contravention of any express term of the Plan or an Agreement, at any time thereafter. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Participants. Any determination shall not be subject to de novo review if challenged in court.

## ARTICLE IV

### Stock Subject to Plan

4.1 Number of Shares. Subject to the adjustment under Section 4.6, the total number of shares of Common Stock reserved and available for distribution pursuant to Options under the Plan shall be 200,000 shares of Common Stock authorized for issuance on the Effective Date. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares.

4.2 Release of Shares. If any shares of Common Stock that have been optioned cease to be subject to an Option, if any shares of Common Stock that are subject to any Option are forfeited, if any Option otherwise terminates without issuance of shares of Common Stock being made to the Participant, or if any shares (whether or not restricted) of Common Stock that were previously issued under the Plan are received in connection with the exercise of an Option, such shares, in the discretion of the Committee, may again be available for distribution in connection with Options under the Plan.

4.3 Restrictions on Shares. Shares of Common Stock issued upon exercise of an Option shall be subject to the terms and conditions specified herein and to such other terms, conditions and restrictions as the Committee in its discretion may determine or provide in the Option Agreement. The Company shall not be required to issue or deliver any certificates for shares of Common Stock, cash or other property prior to (i) the listing of such shares on any stock exchange (or other public market) on which the Common Stock may then be listed (or regularly traded), (ii) the completion of any registration or qualification of such shares under federal or state law, or any ruling or regulation of any government body which the Committee determines to be

necessary or advisable, and (iii) the satisfaction of any applicable withholding obligation in order for the Company or an Affiliate to obtain a deduction with respect to the exercise of an Option. The Company may cause any certificate for any share of Common Stock to be delivered to be properly marked with a legend or other notation reflecting the limitations on transfer of such Common Stock as provided in this Plan or as the Committee may otherwise require. The Committee may require any person exercising an Option to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the shares of Common Stock in compliance with applicable law or otherwise. Fractional shares shall not be delivered, but shall be rounded to the next lower whole number of shares.

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4.4 Shareholder Rights. No person shall have any rights of a shareholder as to shares of Common Stock subject to an Option until, after proper exercise of the Option or other action required, such shares shall have been recorded on the Company's official shareholder records as having been issued or transferred. Upon exercise of the Option or any portion thereof, the Company will have thirty (30) days in which to issue the shares, and the Participant will not be treated as a shareholder for any purpose whatsoever prior to such issuance. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such shares are recorded as issued or transferred in the Company's official shareholder records, except as provided herein or in an Agreement.

4.5 Best Efforts To Register. The Company will register under the Securities Act the Common Stock delivered or deliverable pursuant to Options on Commission Form S-8 if available to the Company for this purpose (or any successor or alternate form that is substantially similar to that form to the extent available to effect such registration), in accordance with the rules and regulations governing such forms, as soon as such forms are available for registration to the Company for this purpose. The Company will use its best efforts to cause the registration statement to become effective as soon as possible and will file such supplements and amendments to the registration statement as may be necessary to keep the registration statement in effect until the earliest of (a) one year following the expiration of the Option Period of the last Option outstanding, (b) the date the Company is no longer a reporting company under the Exchange Act and (c) the date all Participants have disposed of all shares delivered pursuant to any Option. The Company may delay the foregoing obligation if the Committee reasonably determines that any such registration would materially and adversely affect the Company's interests or if there is no material benefit to Participants.

4.6 Anti-Dilution. In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or distribution to Company shareholders other than a normal cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis), reorganization, rights offering, a partial or complete liquidation, or any other corporate transaction, Company share offering or event involving the Company and having an effect similar to any of the foregoing, then the Committee shall adjust or substitute, as the case may be, the number of shares of Common Stock available for Options under the Plan, the number of shares of Common Stock covered by outstanding Options, the exercise price per share of outstanding Options, and any other characteristics or terms of the Options as the Committee shall deem necessary or appropriate to reflect equitably the effects of such changes to the Participants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated by rounding to the next lower whole number of shares with appropriate payment for such fractional share as shall reasonably be determined by the Committee.

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## ARTICLE V Option Grants

5.1 Eligibility. Each Director shall be eligible to be granted Options to purchase shares of Common Stock as provided in the Plan.

5.2 Grant and Exercise. Each Director who is a Director on the Effective Date shall be granted an Option on the Grant Date to purchase 5,000 shares of

Common Stock without further action by the Board or the Committee. On each Grant Date after the Effective Date each person who is a Director on such Grant Date shall be granted an Option to purchase 5,000 shares of Common Stock without further action by the Board or the Committee. If the number of shares of Common Stock available to grant under the Plan on a scheduled date of grant is insufficient to make all automatic grants required to be made pursuant to the Plan on such date, then each eligible Director shall receive an Option to purchase a pro rata number of the remaining shares of Common Stock available under the Plan; provided further, however, that if such proration results in fractional shares of Common Stock, then such Option shall be rounded down to the nearest number of whole shares of Common Stock. Once the total number of shares received for issuance has been granted, no further shares shall be granted. Each Option granted under this Plan shall be evidenced by an Agreement, in a form approved by the Committee, which shall embody the terms and conditions of such Option and which shall be subject to the express terms and conditions set forth in the Plan.

5.3 Terms and Conditions. Options shall be subject to such terms and conditions as shall be determined by the Committee and unless otherwise provided in an Agreement shall include the following:

(a) Option Price. The Option Price of all Options shall be the Fair Market Value per share on the Grant Date.

(b) Option Period. The Option Period of each Option shall be ten (10) years.

(c) Exercisability. Subject to Section 6.1, Options shall be exercisable upon the earliest of the date of the Participant's death or Disability and the date that is the six-month anniversary of the Grant Date. If the Committee provides that any Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part. In addition, the Committee may at any time accelerate the exercisability of any Option. An Option, including any Options not yet exercised and the value of the Account not yet distributed shall be forfeited if the Participant incurs a Termination of Directorship due to Cause.

(d) Method of Exercise. A Participant desiring to exercise an Option, in whole or in part, at any time during the Option Period must give written notice of exercise on a form provided by the Committee (if available) to the Company specifying the number of shares of Common Stock subject to the Option to be purchased. Such notice shall be accompanied by payment in full of the purchase price by cash or check or such other form of payment as the Company may accept. If approved by the Committee, payment in full or in part may also be made (i) by delivering Common Stock already owned by the Participant having a total Fair Market Value on the date of such delivery equal to the Option Price; (ii) by the execution and delivery of a note or other evidence of indebtedness (and any security agreement thereunder) satisfactory to the Committee and permitted in accordance with Section 5.3(e); (iii) by authorizing the Company to retain shares of Common Stock which would otherwise be issuable upon exercise of the Option having a total Fair

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Market Value on the date of delivery equal to the Option Price; (iv) by the delivery of cash or the extension of credit by a broker-dealer to whom the Participant has submitted a notice of exercise or otherwise indicated an intent to exercise (in accordance with Part 220, Chapter II, Title 12 of the Code of Federal Regulations, so-called "cashless" exercise); or (v) by any combination of the foregoing. No shares of Common Stock shall be issued until full payment therefor has been made.

(e) Company Loan or Guarantee. Upon the exercise of any Option and subject to the pertinent Agreement and the discretion of the Committee, the Company may at the request of the Participant:

(i) lend to the Participant, with recourse, an amount equal to such portion of the Option Price as the Committee may determine; or

(ii) guarantee a loan obtained by the Participant from a third-party for the purpose of tendering the Option Price.



The terms and conditions of any loan or guarantee, including the term, interest rate, and any security interest thereunder, shall be determined by the Committee, except that no extension of credit or guarantee shall obligate the Company for an amount to exceed the lesser of the aggregate Fair Market Value per share of the Common Stock on the date of exercise, less the par value of the shares of Common Stock to be purchased upon the exercise of the Option, or the amount permitted under applicable laws or the regulations and rules of the Federal Reserve Board and any other governmental agency having jurisdiction.

(f) Non-transferability of Options. Except as provided in an Agreement, no Option shall be transferable by the Participant other than by will or by the laws of descent and distribution, and all Options shall be exercisable during the Participant's lifetime only by the Participant. Notwithstanding the foregoing, if and to the extent transferability is permitted by and exempt under Rule 16b-3 and except as otherwise provided herein or in an Agreement, every Option granted hereunder shall be freely transferable.

(g) Cashing Out of Option; Settlement of Spread Value in Stock. On receipt of written notice of exercise any Option for which at least six months has elapsed since the Grant Date (provided that such limitation of six months shall not apply to an Option granted to a Participant who has died), the Committee may elect to cash out all or part of the portion of any Option to be exercised by paying the Participant an amount, in cash or Common Stock, equal to the Spread times the number of shares of Common Stock subject to the Option on the effective date of such cash out. Cash outs relating to Options held by a Participant who is actually or potentially subject to Section 16(b) of the Exchange Act shall comply with the "window period" provisions of Rule 16b-3, to the extent applicable, and the Committee may determine the Spread by applying the Fair Market Value based on the highest mean sales price of the Common Stock on any exchange on which the Common Stock is listed (or NASDAQ) on any day during such "window period".

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## ARTICLE VI

### Change in Control Provisions

6.1 Impact of Event. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control:

(a) Any Options outstanding as of the date such Change in Control and not then exercisable shall become fully exercisable to the full extent of the original grant.

(b) Notwithstanding any other provision of the Plan, unless the Committee shall provide otherwise in an Agreement, a Change in Control is within six months of the Grant Date of the Option held by a Participant (except a Participant who has died during such six month period), such Option shall be cancelled in exchange for a payment to the Participant on the date of the Participant's Termination of Directorship equal to the Spread multiplied by the number of shares of Common Stock granted under the Option, plus interest on such amount at the prime rate determined from the date of the Change in Control to the date of the Termination of Directorship.

## ARTICLE VII

### Miscellaneous

7.1 Amendments and Termination. The Board may amend, alter, discontinue or terminate the Plan at any time, but no amendment, alteration, discontinuation or termination shall be made which would (a) reduce or impair the rights of a Participant under an Option theretofore granted without the Participant's consent, except such an amendment made to cause the Plan to qualify for the exemption provided by Rule 16b-3 or (b) disqualify the Plan from the exemption provided by Rule 16b-3. In addition, no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by law or agreement. Notwithstanding the foregoing, the Plan may not be amended more than once every six (6) months to change the Plan provisions listed in Rule 16b-3, other than to comport with changes in the Code or Rule 16b-3.

The Committee may amend the Plan at any time provided that (a) no amendment shall impair the rights of any Participant under any Option theretofore granted without the Participant's consent, (b) no amendment shall disqualify the Plan from the exemption provided by Rule 16b-3, and (c) any amendment shall be subject to the approval or rejection of the Board.

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The Committee may amend the terms of any Option, prospectively or retroactively, but no such amendment shall impair the rights of any Participant without the Participant's consent, except such an amendment made to cause the Plan or Option to qualify for the exemption provided by Rule 16b-3. The Committee may also substitute new Options for previously granted Options, including previously granted Options having higher Option Prices but no such substitution shall be made which would impair the rights of Participants under such Option theretofore granted without the Participant's consent. The Committee's discretion to amend the Plan or Agreement shall be limited to the Plan's constituting a plan described in Rule 16b-3.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules, as well as other developments and to grant Options which qualify for beneficial treatment under such rules without shareholder approval.

The Board may terminate the Plan at any time.

#### 7.2 General Provisions.

(a) Representation. The Committee may require each person purchasing or receiving shares pursuant to an Option to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

(b) No Additional Obligation. Nothing contained in the Plan shall prevent the Company or an Affiliate from adopting other or additional compensation arrangements for Directors or employees.

(c) Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Option, the Participant shall pay to the Company (or other entity identified by the Committee), or make arrangements satisfactory to the Company or other entity identified by the Committee regarding the payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount required in order for the Company or an Affiliate to obtain a current deduction. Unless otherwise determined by the Committee, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Option that gives rise to the withholding requirement provided that any applicable requirements under Section 16 of the Exchange Act are satisfied. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

(d) Representation. The Committee shall establish such procedures as it deems appropriate for a Participant to designate a Representative to whom any amounts payable in the event of the Participant's death are to be paid.

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(e) Controlling Law. The Plan and all Options made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware (other than its law respecting choice of law). The Plan shall be construed to comply with all applicable law, and to avoid liability to the Company, an Affiliate or a Participant, including, without limitation, liability under Section 16(b) of the Exchange Act.

(f) Offset. Any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any shares of Common Stock, cash or other thing of value under this Plan or an Agreement to be transferred to the Participant, and no shares of Common Stock, cash or other thing of value under this Plan or an Agreement shall be transferred unless and until all disputes between the Company and the Participant have been fully and finally resolved and the Participant has waived all claims to such against the Company or an Affiliate.

7.3 Rights with Respect to Continuance of Employment. Nothing contained herein shall be deemed to alter the relationship between the Company or an Affiliate and a Participant, or the contractual relationship between a Participant and the Company or an Affiliate if there is a written contract regarding such relationship. Nothing contained herein shall be construed to constitute a contract of employment or appointment between the Company or an Affiliate and a Participant. The Company or an Affiliate and each of the Participants continue to have the right to terminate the employment or other relationship at any time for any reason, except as provided in a written contract. The Company or an Affiliate shall have no obligation to retain the Participant in its employ or service as a result of this Plan. There shall be no inference as to the length of employment or service hereby, and the Company or an Affiliate reserves the same rights to terminate the Participant's employment or service as existed prior to the individual becoming a Participant in this Plan.

7.4 Options in Substitution for Options Granted by Other Corporations. Options may be granted under the Plan from time to time in substitution for awards held by employees, directors or service providers of other corporations who are about to become Directors of the Company or an Affiliate as the result of a merger or consolidation of the employing corporation with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing corporation, or the acquisition by the Company or Affiliate of the stock of the employing corporation, as the result of which it becomes a designated employer under the Plan. The terms and conditions of the Options so granted may vary from the terms and conditions set forth in this Plan at the time of such grant as the majority of the members of the Committee may deem appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

7.5 Procedure for Adoption. Any Affiliate of the Company may by resolution of such Affiliate's board of directors, with the consent of the Board of Directors and subject to such conditions as may be imposed by the Board of Directors, adopt the Plan for the benefit of its Directors as of the date specified in the board resolution.

7.6 Procedure for Withdrawal. Any Affiliate which has adopted the Plan may, by resolution of the board of directors of such direct or indirect subsidiary, with the consent of the Board of Directors and subject to such conditions as may be imposed by the Board of Directors, terminate its adoption of the Plan.

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7.7 Delay. If at the time a Participant incurs a Termination of Directorship (other than due to Cause) or if at the time of a Change in Control, the Participant is subject to "short-swing" liability under Section 16 of the Exchange Act, any time period provided for under the Plan or an Agreement to the extent necessary to avoid the imposition of liability shall be suspended and delayed during the period the Participant would be subject to such liability, but not more than six (6) months and one (1) day and not to exceed the Option Period. The Company shall have the right to suspend or delay any time period described in the Plan or an Agreement if the Committee shall determine that the action may constitute a violation of any law or result in liability under any law to the Company, an Affiliate or a shareholder of the Company until such time as the action required or permitted shall not constitute a violation of law or result in liability to the Company, an Affiliate or a shareholder of the Company. The Committee shall have the discretion to suspend the application of the provisions of the Plan required solely to comply with Rule 16b-3 if the Committee shall determine that Rule 16b-3 does not apply to the Plan.

7.8 Headings. The headings contained in this Plan are for reference purposes only and shall not affect the meaning or interpretation of this Plan.

7.9 Severability. If any provision of this Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not effect any other provision hereby, and this Plan shall be construed as if such invalid or unenforceable provision were omitted.

7.10 Successors and Assigns. This Plan shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors.

7.11 Entire Agreement. This Plan and the Agreement constitute the entire agreement with respect to the subject matter hereof and thereof, provided that in the event of any inconsistency between the Plan and the Agreement, the terms and conditions of this Plan shall control.

Executed on this 14th day of September, 1994.

PARKER DRILLING COMPANY

By: /s/ Robert L. Parker Jr.

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EXHIBIT 10(j)  
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Parker Drilling Company  
1994 Executive Stock Option Plan

PARKER DRILLING COMPANY

1994 EXECUTIVE STOCK OPTION PLAN

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PARKER DRILLING COMPANY

1994 EXECUTIVE STOCK OPTION PLAN

ARTICLE I

Establishment

I. Purpose.

The Parker Drilling Company 1994 Executive Stock Option Plan ("Plan") is hereby established by Parker Drilling Company ("Company"). The purpose of the Plan is to promote the overall financial objectives of the Company and its shareholders by motivating those persons selected to participate in the Plan to achieve long-term growth in shareholder equity in the Company and by retaining the association of those individuals who are instrumental in achieving this growth. The Plan and the grant of awards thereunder is expressly conditioned upon the Plan's approval by the security holders of the Company. The Plan is adopted effective as of December 14, 1994.

ARTICLE II

Definitions

For purposes of the Plan, the following terms are defined as set forth below:

2.1 "Affiliate" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company including, without limitation, any member of an affiliated group of which the Company is a common parent corporation as provided in Section 1504 of the Code.

2.2 "Agreement" or "Award Agreement" means, individually or collectively, any agreement entered into pursuant to the Plan pursuant to which an Award is granted to a Participant.

2.3 "Award" means a Stock Option, Stock Appreciation Right, Restricted Stock or Deferred Stock.

2.4 "Board of Directors" or "Board" means the Board of Directors of the Company.

2.5 "Cause" shall mean, for purposes of whether and when a Participant has incurred a Termination of Employment for Cause, any act or omission which permits the Company to terminate the written agreement or arrangement between the Participant and the Company or an Affiliate for Cause as defined in such agreement or arrangement, or in the event there is no such agreement or arrangement or the agreement or arrangement does not define the term "cause," then Cause shall mean an act or acts of dishonesty by the Participant constituting a felony under applicable law and resulting or intending to result directly or indirectly in gain to or personal enrichment of the Participant at the Company's expense. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him or her a copy of a resolution, duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for that

purpose (after reasonable notice to him or her has been given or has been made and an opportunity for him or her, together with his or her counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant was guilty of conduct set forth above in the previous sentence of this Section and specifying the particulars thereof in detail.

2.6 "Change in Control" and "Change in Control Price" have the meanings set forth in Sections 10.2 and 10.3, respectively.

2.7 "Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, final Treasury Regulations thereunder and any subsequent Internal Revenue Code.

2.8 "Commission" means the Securities and Exchange Commission or any successor agency.

2.9 "Committee" means the person or persons appointed by the Board of Directors to administer the Plan, as further described in the Plan.

2.10 "Common Stock" means the shares of the regular voting Common Stock, \$.16 2/3 par value, whether presently or hereafter issued, and any other stock or security resulting from adjustment thereof as described hereinafter or the common stock of any successor to the Company which is designated for the purpose of the Plan.

2.11 "Company" means Parker Drilling Company, a Delaware corporation, and includes any successor or assignee corporation or corporations into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

2.12 "Deferred Stock" means an award made pursuant to Article IX.

2.13 "Disability" means permanent and total disability as determined under procedures established by the Committee for purposes of the Plan. Notwithstanding the foregoing, a Disability shall not qualify under this Plan if it is the result of (i) a willfully self-inflicted injury or willfully self-induced sickness; or (ii) an injury or disease contracted, suffered, or incurred, while participating in a criminal offense. The determination of Disability shall be made by the Committee. The determination of Disability for purposes of this Plan shall not be construed to be an admission of disability for any other purpose.

2.14 "Disinterested Person" shall have the meaning set forth in Rule 16b-3, or any successor definition adopted by the Commission and shall mean a person who is also an "outside director" under Section 162(m) of the Code.

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2.15 "Effective Date" means December 14, 1994.

2.16 "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2.17 "Fair Market Value" means the mean, as of any given date, between the highest and lowest reported sales prices of the Common Stock on the New York Stock Exchange or, if not listed on such exchange, any other national exchange on which the Common Stock is listed or on NASDAQ. If there is no regular public trading market for such stock, the Fair Market Value of the Common Stock shall be determined by the Committee in good faith.

2.18 "Grant Date" means the date that as of which an Award is granted pursuant to the Plan.

2.19 "Incentive Stock Option" means any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

2.20 "Nonqualified Stock Option" means an Option to purchase Common Stock in the Company granted under the Plan other than an Incentive Stock



Option within the meaning of Section 422 of the Code.

2.21 "Option Period" means the period during which the Option shall be exercisable in accordance with the Agreement and Article VI.

2.22 "Option Price" means the price at which the Common Stock may be purchased under an Option as provided in Section 6.3.

2.23 "Participant" means a person who satisfies the eligibility conditions of Article V and to whom an Award has been granted by the Committee under the Plan, and in the event a Representative is appointed for a Participant or a former spouse becomes a Representative, then the term "Participant" shall mean such appointed Representative, successor, Representative, or former spouse as the case may be. The term shall also include any person or entity to whom an Option has been transferred including a trust for the benefit of the Participant, the Participant's parents, spouse or descendants, a partnership, the partners of which include any of the foregoing, or a custodian under a uniform gifts to minors act or similar statute for the benefit of the Participant's descendants, to the extent permitted herein. Notwithstanding the foregoing, the term "Termination of Employment" shall mean the Termination of Employment of the Participant.

2.24 "Plan" means the Parker Drilling Company 1994 Executive Stock Option Plan, as herein set forth and as may be amended from time to time.

2.25 "Representative" means (a) the person or entity acting as the executor or administrator of a Participant's estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had the Participant's primary residence at the date of the Participant's death; (b) the person or entity acting as the guardian or temporary guardian of a

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Participant; (c) the person or entity which is the beneficiary of the Participant upon or following the Participant's death; or (d) any person to whom an Option has been permissibly transferred; provided that only one of the foregoing shall be the Representative at any point in time as determined under applicable law and recognized by the Committee.

2.26 "Restricted Stock" means an award under Article VIII.

2.27 "Retirement" means the Participant's Termination of Employment after attaining either the normal retirement age or the early retirement age as defined in the principal (as determined by the Committee) tax-qualified plan of the Company or an Affiliate, if the Participant is covered by such plan, and if the Participant is not covered by such a plan, then age 65, or age 55 with the accrual of 10 years of service.

2.28 "Rule 16b-3" means Rule 16b-3, as promulgated under the Exchange Act, as amended from time to time, or any successor thereto.

2.29 "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

2.30 "Stock Appreciation Right" means a right granted under Article VII.

2.31 "Stock Option" or "Option" means an option granted under Article VI.

2.32 "Termination of Employment" means the occurrence of any act or event whether pursuant to an employment agreement or otherwise that actually or effectively causes or results in the person's ceasing, for whatever reason, to be an officer, employee or consultant of the Company or of any Affiliate, or to be an officer, employee or consultant of any entity that provides services to the Company or an Affiliate, including, without limitation, death, Disability, dismissal, severance at the election of the Participant, Retirement, or severance as a result of the discontinuance, liquidation, sale or transfer by the Company or its Affiliates of all businesses owned or operated by the Company or its Affiliates. With respect to any person who is not an employee with respect to the Company or an Affiliate, the Agreement shall establish what act or event shall constitute a Termination of Employment for purposes of the Plan. A Termination of Employment shall occur to an employee who is employed by an Affiliate if the Affiliate shall cease to be an

Affiliate and the Participant shall not immediately thereafter become an employee of the Company or an Affiliate.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

### ARTICLE III

#### Administration

3.1 Committee Structure and Authority. The Plan shall be administered by the Committee which, except as provided herein, may be comprised of one or more persons. The Committee shall be the Compensation Committee of the Board of Directors, unless such committee does not exist or the Board establishes a committee whose sole purpose is the administration of this Plan; provided that only those members of the Compensation Committee of the Board who participate in the decision relative to Awards under the Plan shall be deemed to be part of the "Committee" for purposes of the Plan. In the absence of an appointment, the Board or the portion thereof that is a Disinterested Person shall be the Committee. A majority of the Committee shall constitute a quorum

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at any meeting thereof (including telephone conference) and the acts of a majority of the members present, or acts approved in writing by a majority of the entire Committee without a meeting, shall be the acts of the Committee for purposes of this Plan. The Committee may authorize any one or more of its members or an officer of the Company to execute and deliver documents on behalf of the Committee. A member of the Committee shall not exercise any discretion respecting himself or herself under the Plan. The Board shall have the authority to remove, replace or fill any vacancy of any member of the Committee upon notice to the Committee and the affected member. Any member of the Committee may resign upon notice to the Board. The Committee may allocate among one or more of its members, or may delegate to one or more of its agents, such duties and responsibilities as it determines.

Among other things, the Committee shall have the authority, subject to the terms of the Plan:

(a) to select those persons to whom Awards may be granted from time to time;

(b) to determine whether and to what extent Stock Options, Stock Appreciation Rights, Restricted Stock and Deferred Stock or any combination thereof are to be granted hereunder;

(c) to determine the number of shares of Common Stock to be covered by each Award granted hereunder;

(d) to determine the terms and conditions of any Award granted hereunder (including, but not limited to, the Option Price, the Option Period, any exercise restriction or limitation and any exercise acceleration or forfeiture waiver regarding any Award and the shares of Common Stock relating thereto);

(e) to adjust the terms and conditions, at any time or from time to time, of any Award, subject to the limitations of Section 11.1;

(f) to determine to what extent and under what circumstances Common Stock and other amounts payable with respect to an Award shall be deferred;

(g) to determine under what circumstances an Award may be settled in cash or Common Stock.

(h) to provide for the forms of Agreement to be utilized in connection with this Plan;

(i) to determine whether a Participant has a Disability or a Retirement;

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(j) to determine what securities law requirements are applicable to the Plan, Awards, and the issuance of shares of Common Stock and to

require of a Participant that appropriate action be taken with respect to such requirements;

(k) to cancel, with the consent of the Participant or as otherwise provided in the Plan or an Agreement, outstanding Awards;

(l) to interpret and make a final determination with respect to the remaining number of shares of Common Stock available under Article IV;

(m) to require as a condition of the exercise of an Award or the issuance or transfer of a certificate of Common Stock, the withholding from a Participant of the amount of any federal, state or local taxes as may be necessary in order for the Company or any other employer to obtain a deduction or as may be otherwise required by law;

(n) to determine whether and with what effect an individual has incurred a Termination of Employment;

(o) to determine whether the Company or any other person has a right or obligation to purchase Common Stock from a Participant and, if so, the terms and conditions on which such Common Stock is to be purchased;

(p) to determine the restrictions or limitations on the transfer of Common Stock;

(q) to determine whether an Award is to be adjusted, modified or purchased, or is to become fully exercisable, under the Plan or the terms of an Agreement;

(r) to determine the permissible methods of Award exercise and payment, including cashless exercise arrangements;

(s) to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan; and

(t) to appoint and compensate agents, counsel, auditors or other specialists to aid it in the discharge of its duties.

The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Agreement) and to otherwise supervise the administration of the Plan. The Committee's policies and procedures may differ with respect to Awards granted at different times or to different Participants.

Any determination made by the Committee pursuant to the provisions of the Plan shall be made in its sole discretion, and in the case of any determination relating to an Award, may be made at the time of the grant of the Award or, unless in contravention of any express term of the Plan or an

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Agreement, at any time thereafter. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Participants. Any determination shall not be subject to de novo review if challenged in court.

## ARTICLE IV

### Stock Subject to Plan

4.1 Number of Shares. Subject to the adjustment under Section 4.6, the total number of shares of Common Stock reserved and available for distribution pursuant to Awards under the Plan shall be 2,400,000 shares of Common Stock authorized for issuance on the Effective Date. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares.

4.2 Release of Shares. Subject to Section 7.3(f), if any shares of Common Stock that have been optioned cease to be subject to an Award, if any shares of Common Stock that are subject to any Award are forfeited, if any Award otherwise terminates without issuance of shares of Common Stock being

made to the Participant, or if any shares (whether or not restricted) of Common Stock that were previously issued under the Plan are received in connection with the exercise of an Award, such shares, in the discretion of the Committee, may again be available for distribution in connection with Awards under the Plan.

4.3 Restrictions on Shares. Shares of Common Stock issued upon exercise of an Award shall be subject to the terms and conditions specified herein and to such other terms, conditions and restrictions as the Committee in its discretion may determine or provide in the Award Agreement. The Company shall not be required to issue or deliver any certificates for shares of Common Stock, cash or other property prior to (i) the listing of such shares on any stock exchange (or other public market) on which the Common Stock may then be listed (or regularly traded), (ii) the completion of any registration or qualification of such shares under federal or state law, or any ruling or regulation of any government body which the Committee determines to be necessary or advisable, and (iii) the satisfaction of any applicable withholding obligation in order for the Company or an Affiliate to obtain a deduction with respect to the exercise of an Award. The Company may cause any certificate for any share of Common Stock to be delivered to be properly marked with a legend or other notation reflecting the limitations on transfer of such Common Stock as provided in this Plan or as the Committee may otherwise require. The Committee may require any person exercising an Award to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the shares of Common Stock in compliance with applicable law or otherwise. Fractional shares shall not be delivered, but shall be rounded to the next lower whole number of shares.

4.4 Shareholder Rights. No person shall have any rights of a shareholder as to shares of Common Stock subject to an Award until, after proper exercise of the Award or other action required, such shares shall have been recorded on the Company's official shareholder records as having been issued or transferred. Upon exercise of the Award or any portion thereof, the Company will have thirty (30) days in which to issue the shares, and the Participant will not be treated as a shareholder for any purpose whatsoever prior to such issuance. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such shares are recorded as issued or transferred in the Company's official shareholder records, except as provided herein or in an Agreement.

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4.5 Best Efforts To Register. The Company will register under the Securities Act the Common Stock delivered or deliverable pursuant to Awards on Commission Form S-8 if available to the Company for this purpose (or any successor or alternate form that is substantially similar to that form to the extent available to effect such registration), in accordance with the rules and regulations governing such forms, as soon as such forms are available for registration to the Company for this purpose. The Company will use its best efforts to cause the registration statement to become effective as soon as possible and will file such supplements and amendments to the registration statement as may be necessary to keep the registration statement in effect until the earliest of (a) one year following the expiration of the Option Period of the last Option outstanding, (b) the date the Company is no longer a reporting company under the Exchange Act and (c) the date all Participants have disposed of all shares delivered pursuant to any Award. The Company may delay the foregoing obligation if the Committee reasonably determines that any such registration would materially and adversely affect the Company's interests or if there is no material benefit to Participants.

4.6 Anti-Dilution. In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or distribution to Company shareholders other than a normal cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis), reorganization, rights offering, a partial or complete liquidation, or any other corporate transaction, Company share offering or event involving the Company and having an effect similar to any of the foregoing, then the Committee shall adjust or substitute, as the case may be, the number of shares of Common Stock available for Awards under the Plan, the number of shares of Common Stock covered by outstanding Awards,

the exercise price per share of outstanding Awards, and any other characteristics or terms of the Awards as the Committee shall deem necessary or appropriate to reflect equitably the effects of such changes to the Participants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated by rounding to the next lower whole number of shares with appropriate payment for such fractional share as shall reasonably be determined by the Committee.

## ARTICLE V

### Eligibility

5.1 Eligibility. Except as herein provided, the persons who shall be eligible to participate in the Plan and be granted Awards shall be those persons who are officers, employees and consultants of the Company or any subsidiary who shall be in a position, in the opinion of the Committee, to make contributions to the growth, management, protection and success of the Company and its subsidiaries. Of those persons described in the preceding sentence, the Committee may, from time to time, select

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persons to be granted Awards and shall determine the terms and conditions with respect thereto. In making any such selection and in determining the form of the Award, the Committee may give consideration to the functions and responsibilities of the person's contributions to the Company and its subsidiaries, the value of the individual's service to the Company and its subsidiaries and such other factors deemed relevant by the Committee. The Committee may designate any person who is not eligible to participate in the Plan if such person would otherwise be eligible to participate in the Plan (and members of the Committee are excluded to the extent such persons are intended as Disinterested Persons).

## ARTICLE VI STOCK OPTIONS

6.1 General. The Committee shall have authority to grant Options under the Plan at any time or from time to time. Stock Options may be granted alone or in addition to other Awards and may be either Incentive Stock Options or Non-Qualified Stock Options. An Option shall entitle the Participant to receive shares of Common Stock upon exercise of such Option, subject to the Participant's satisfaction in full of any conditions, restrictions or limitations imposed in accordance with the Plan or an Agreement (the terms and provisions of which may differ from other Agreements) including without limitation, payment of the Option Price. During any calendar year, Options for no more than 200,000 shares of Common Stock shall be granted to any Participant.

6.2 Grant and Exercise. The grant of a Stock Option shall occur as of the date the Committee determines. Each Option granted under this Plan shall be evidenced by an Agreement, in a form approved by the Committee, which shall embody the terms and conditions of such Option and which shall be subject to the express terms and conditions set forth in the Plan. Such Agreement shall become effective upon execution by the Participant. Only a person who is a common-law employee of the Company, any parent corporation of the Company or a subsidiary (as such terms are defined in Section 424 of the Code) on the date of grant shall be eligible to be granted an Option which is intended to be and is an Incentive Stock Option. To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option. Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any Incentive Stock Option under such Section 422.

6.3 Terms and Conditions. Stock Options shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(a) Option Period. The Option Period of each Stock Option shall be fixed by the Committee; provided that no Non-Qualified Stock Option shall be exercisable more than fifteen (15) years after the date the Stock Option is

granted. In the case of an Incentive Stock Option, the Option Period shall not exceed ten (10) years from the date of grant or five (5) years in the case of an individual who owns more than ten percent (10%) of the combined voting power of all classes of stock of the

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Company, a corporation which is a parent corporation of the Company or any subsidiary of the Company (each as defined in Section 424 of the Code). No Option which is intended to be an Incentive Stock Option shall be granted more than ten (10) years from the date the Plan is adopted by the Company or the date the Plan is approved by the shareholders of the Company, whichever is earlier.

(b) Option Price. The Option Price per share of the Common Stock purchasable under an Option shall be determined by the Committee, but in no event shall the Option Price be less than 50% of the Fair Market Value on the Grant Date. If such Option is intended to qualify as an Incentive Stock Option, the Option Price per share shall be not less than the Fair Market Value per share on the date the Option is granted, or where granted to an individual who owns or who is deemed to own stock possessing more than ten percent (10%) of the combined voting power of all classes of stock of the Company, a corporation which is a parent corporation of the Company or any subsidiary of the Company (each as defined in Section 424 of the Code), not less than one hundred ten percent (110%) of such Fair Market Value per share.

(c) Exercisability. Subject to Section 10.1, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part. In addition, the Committee may at any time accelerate the exercisability of any Stock Option.

(d) Method of Exercise. Subject to the provisions of this Article VI, a Participant may exercise Stock Options, in whole or in part, at any time during the Option Period by the Participant's giving written notice of exercise on a form provided by the Committee (if available) to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased. Such notice shall be accompanied by payment in full of the purchase price by cash or check or such other form of payment as the Company may accept. If approved by the Committee, payment in full or in part may also be made (i) by delivering Common Stock already owned by the Participant having a total Fair Market Value on the date of such delivery equal to the Option Price; (ii) by the execution and delivery of a note or other evidence of indebtedness (and any security agreement thereunder) satisfactory to the Committee and permitted in accordance with Section 6.3(e); (iii) by authorizing the Company to retain shares of Common Stock which would otherwise be issuable upon exercise of the Option having a total Fair Market Value on the date of delivery equal to the Option Price; (iv) by the delivery of cash or the extension of credit by a broker-dealer to whom the Participant has submitted a notice of exercise or otherwise indicated an intent to exercise an Option (in accordance with Part 220, Chapter II, Title 12 of the Code of Federal Regulations, so-called "cashless" exercise); or (v) by any combination of the foregoing. If payment of the Option Price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock or Deferred Stock, the number of shares of Common Stock to be received upon such exercise equal to the number of shares of Restricted Stock or Deferred Stock used for payment of the Option Price shall be subject to the same forfeiture restrictions or deferral limitations to which such Restricted Stock or Deferred Stock was subject, unless otherwise determined by the Committee. In the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares of Common Stock of the same class as the Common Stock subject to the Stock Option may be authorized only at the time the Stock Option is granted. No shares of Common Stock shall be issued until full payment therefor has been made. Subject to any forfeiture restrictions or deferral limitations that may apply if a Stock Option is exercised using

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Restricted Stock or Deferred Stock, a Participant shall have all of the rights of a shareholder of the Company holding the class of Common Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the Participant has given

written notice of exercise, has paid in full for such shares and such shares have been recorded on the Company's official shareholder records as having been issued or transferred.

(e) Company Loan or Guarantee. Upon the exercise of any Option and subject to the pertinent Agreement and the discretion of the Committee, the Company may at the request of the Participant:

(i) lend to the Participant, with recourse, an amount equal to such portion of the Option Price as the Committee may determine; or

(ii) guarantee a loan obtained by the Participant from a third-party for the purpose of tendering the Option Price.

The terms and conditions of any loan or guarantee, including the term, interest rate, and any security interest thereunder, shall be determined by the Committee, except that no extension of credit or guarantee shall obligate the Company for an amount to exceed the lesser of the aggregate Fair Market Value per share of the Common Stock on the date of exercise, less the par value of the shares of Common Stock to be purchased upon the exercise of the Award, or the amount permitted under applicable laws or the regulations and rules of the Federal Reserve Board and any other governmental agency having jurisdiction.

(f) Non-transferability of Options. Except as provided in an Agreement, no Stock Option or interest therein shall be transferable by the Participant other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable during the Participant's lifetime only by the Participant. Notwithstanding the foregoing, if and to the extent transferability is permitted by and exempt under Rule 16b-3 and except as otherwise provided herein or by an Agreement, every Option granted hereunder shall be freely transferable.

6.4 Termination by Reason of Death, Disability or Retirement. Unless otherwise provided in an Agreement or determined by the Committee, if a Participant incurs a Termination of Employment due to death, Disability or Retirement, any unexpired and unexercised Stock Option held by such Participant shall thereafter be fully exercisable for a period of five (5) years (or such other period or no period as the Committee may specify) immediately following the date of such death, Disability or Retirement (as applicable) or until the expiration of the Option Period, whichever period is the shorter. In the event of Termination of Employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

6.5 Other Termination. Unless otherwise provided in an Agreement or determined by the

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Committee, if a Participant incurs a Termination of Employment that is not due to death, Retirement, Disability or with Cause) any Stock Option held by such Participant shall thereupon terminate, except that such Stock Option, to the extent then exercisable, may be exercised for the lesser of a period of two (2) years commencing with the date of such Termination of Employment or until the expiration of the Option Period, or in the case of a voluntary Termination of Employment (other than due to death, Retirement, Disability or with Cause), for a period of six (6) months commencing with the date of such Termination of Employment in the case of a voluntary Termination of Employment or until the expiration of the Option Period, whichever is less. If the Participant incurs a Termination of Employment which is with Cause, the Option shall terminate immediately. The death, Disability or Retirement of a Participant after a Termination of Employment otherwise provided herein shall not extend the exercisability of the time permitted to exercise an Option.

6.6 Cashing Out of Option. On receipt of written notice of exercise, the Committee may elect to cash out all or part of the portion of any Stock Option to be exercised by paying the Participant an amount, in cash or Common Stock, equal to the excess of the Fair Market Value of the Common Stock that is subject to the Option over the Option Price times the number of shares of Common Stock subject to the Option on the effective date of such cash out. Cash outs relating to Options held by Participants who are actually or

potentially subject to Section 16(b) of the Exchange Act shall comply with the "window period" provisions of Rule 16b-3, to the extent applicable, and, in the case of cash outs of Non-Qualified Stock Options held by such Participants, the Committee may determine Fair Market Value under the pricing rule set forth in Section 7.3(b).

## ARTICLE VII

### STOCK APPRECIATION RIGHTS

7.1 General. The Committee shall have authority to grant Stock Appreciation Rights under the Plan at any time or from time to time. Subject to the Participant's satisfaction in full of any conditions, restrictions or limitations imposed in accordance with the Plan or an Agreement, a Stock Appreciation Right shall entitle the Participant to surrender to the Company the Stock Appreciation Right and to be paid therefor in shares of the Common Stock, cash or a combination thereof as herein provided, the amount described in Section 7.3(b).

7.2 Grant. Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option granted under the Plan in which case the exercise of the Stock Appreciation Right shall require the cancellation of a corresponding portion of the Stock Option and the exercise of the Stock Option will result in the cancellation of a corresponding portion of the Stock Appreciation Right. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right may also be granted on a stand alone basis. The grant of a Stock Appreciation Right shall occur as of the date the Committee determines. Each Stock Appreciation Right granted under this Plan shall be evidenced by an Agreement, which shall embody the terms and conditions of such Stock Appreciation Right and which shall be subject to the terms and conditions set forth in the Plan. During any calendar year, no more than 200,000 Stock Appreciation Rights shall be granted to any Participant.

7.3 Terms and Conditions. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(a) Period and Exercise. The term of a Stock Appreciation Right shall be established by the Committee. If granted in conjunction with a Stock Option, the Stock Appreciation Right shall have a term which is the same as the Option Period and shall be exercisable only at such time or times and to the extent the related Stock Options would be exercisable in accordance with the provisions of Article VI. A Stock Appreciation Right which is granted on a stand alone basis shall be for such period and shall be exercisable at such times and to the extent provided in an Agreement. Stock Appreciation Rights shall be exercised by the Participant's giving written notice of exercise on a form provided by the Committee (if available) to the Company specifying the portion of the Stock Appreciation Right to be exercised.

(b) Amount. Upon the exercise of a Stock Appreciation Right, a Participant shall be entitled to receive an amount in cash, shares of Common Stock or both as determined by the Committee or as otherwise permitted in an Agreement equal in value to the excess of the Fair Market Value per share of Common Stock over the Option Price per share of Common Stock specified in the related Agreement multiplied by the number of shares in respect of which the Stock Appreciation Right is exercised. In the case of a Stock Appreciation Right granted on a stand alone basis, the Agreement shall specify the value to be used in lieu of the Option Price per share of Common Stock. The aggregate Fair Market Value per share of the Common Stock shall be determined as of the date of exercise of such Stock Appreciation Right.

(c) Special Rules. In the case of Stock Appreciation Rights relating to Stock Options held by Participants who are actually or potentially subject to Section 16(b) of the Exchange Act:

(i) The Committee may require that such Stock Appreciation Rights be exercised only in accordance with the applicable "window period" provisions of Rule 16b-3;



(ii) The Committee may provide that the amount to be paid upon exercise of such Stock Appreciation Rights (other than those relating to Incentive Stock Options) during a Rule 16b-3 "window period" shall be based on the highest mean sales price of the Common Stock on the principal exchange on which the Common Stock is traded, NASDAQ or other relevant market for determining value on any day during such "window period"; and

(iii) no Stock Appreciation Right shall be exercisable during the first six months of its term, except that this limitation shall not apply in the event of death or Disability of the Participant prior to the expiration of the six-month period.

(d) Non-transferability of Stock Appreciation Rights. Stock Appreciation Rights shall be transferable only when and to the extent that a Stock Option would be transferable under the Plan unless otherwise provided in an Agreement.

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(e) Termination. A Stock Appreciation Right shall terminate at such time as a Stock Option would terminate under the Plan, unless otherwise provided in an Agreement.

(f) Effect on Shares Under the Plan. To the extent required by Rule 16b-3, upon the exercise of a Stock Appreciation Right, the Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been exercised for the purpose of the limitation set forth in Section 4.2 on the number of shares of Common Stock to be issued under the Plan, but only to the extent of the number of shares of Common Stock covered by the Stock Appreciation Right at the time of exercise based on the value of the Stock Appreciation Right at such time.

(g) Incentive Stock Option. A Stock Appreciation Right granted in tandem with an Incentive Stock Option shall not be exercisable unless the Fair Market Value of the Common Stock on the date of exercise exceeds the Option Price. In no event shall any amount paid pursuant to the Stock Appreciation Right exceed the difference between the Fair Market Value on the date of exercise and the Option Price.

## ARTICLE VIII

### RESTRICTED STOCK

8.1 General. The Committee shall have authority to grant Restricted Stock under the Plan at any time or from time to time. Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the persons to whom and the time or times at which grants of Restricted Stock will be awarded, the number of shares of Restricted Shares to be awarded to any Participant, the time or times within which such Awards may be subject to forfeiture and any other terms and conditions of the Awards. Each Award shall be confirmed by, and be subject to the terms of, an Agreement. The Committee may condition the grant of Restricted Stock upon the attainment of specified performance goals by the Participant or by the Company or an Affiliate (including a division or department of the Company or an Affiliate) for or within which the Participant is primarily employed or upon such other factors or criteria as the Committee shall determine. The provisions of Restricted Stock Awards need not be the same with respect to any Participant.

8.2 Awards and Certificates. Notwithstanding the limitations on issuance of shares of Common Stock otherwise provided in the Plan, each Participant receiving an Award of Restricted Stock shall be issued a certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award as determined by the Committee. The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

8.3 Terms and Conditions. Shares of Restricted Stock shall be subject to the following terms and conditions:

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(a) Limitations on Transferability. Subject to the provisions of the Plan and except as provided in an Agreement, during a period set by the Committee, commencing with the date of such Award (the "Restriction Period"), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber any interest in shares of Restricted Stock.

(b) Rights. Except as provided in Section 8.3(a), the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a shareholder of the Company holding the class of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. Unless otherwise determined by the Committee and subject to the Plan, cash dividends on the class of Common Stock that is the subject of the Restricted Stock shall be automatically deferred and reinvested in additional Restricted Stock, and dividends on the class of Common Stock that is the subject of the Restricted Stock payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock on which such dividend was paid.

(c) Criteria. Based on service, performance by the Participant or by the Company or the Affiliate, including any division or department for which the Participant is employed or such other factors or criteria as the Committee may determine, the Committee may provide for the lapse of restrictions in installments and may accelerate the vesting of all or any part of any Award and waive the restrictions for all or any part of such Award.

(d) Forfeiture. Unless otherwise provided in an Agreement or determined by the Committee, if the Participant incurs a Termination of Employment during the Restriction Period due to death or Disability, the restrictions shall lapse and the Participant shall be fully vested in the Restricted Stock. Except to the extent otherwise provided in the applicable Agreement and the Plan, upon a Participant's Termination of Employment for any reason during the Restriction Period other than death or Disability, all shares of Restricted Stock still subject to restriction shall be forfeited by the Participant, except the Committee shall have the discretion to waive in whole or in part any or all remaining restrictions with respect to any or all of such Participant's shares of Restricted Stock.

(e) Delivery. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock subject to such Restriction Period, unlegended certificates for such shares shall be delivered to the Participant.

(f) Election. A Participant may elect to further defer receipt of the Restricted Stock for a specified period or until a specified event, subject in each case to the Committee's approval and to such terms as are determined by the Committee. Subject to any exceptions adopted by the Committee, such election must be made one (1) year prior to completion of the Restriction Period.

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## ARTICLE IX

### DEFERRED STOCK

9.1 General. The Committee shall have authority to grant Deferred Stock under the Plan at any time or from time to time. Shares of Deferred Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee shall determine the persons to whom and the time or times at which Deferred Stock will be awarded, the number of shares of Deferred Stock to be awarded to any Participant, the duration of the period (the "Deferral

Period") prior to which the Common Stock will be delivered, and the conditions under which receipt of the Common Stock will be deferred and any other terms and conditions of the Awards. Each Award shall be confirmed by, and be subject to the terms of, an Agreement. The Committee may condition the grant of Deferred Stock upon the attainment of specified performance goals by the Participant or by the Company or an Affiliate, including a division or department of the Company or an Affiliate for or within which the Participant is primarily employed or upon such other factors or criteria as the Committee shall determine. The provisions of Deferred Stock Awards need not be the same with respect to any Participant.

9.2 Terms and Conditions. Deferred Stock Awards shall be subject to the following terms and conditions:

(a) Limitations on Transferability. Subject to the provisions of the Plan and except as provided in an Agreement, Deferred Stock Awards, or any interest therein, may not be sold, assigned, transferred, pledged or otherwise encumbered during the Deferral Period. At the expiration of the Deferral Period (or Elective Deferral Period as defined in Section 9.2(e), where applicable), the Committee may elect to deliver Common Stock, cash equal to the Fair Market Value of such Common Stock or a combination of cash and Common Stock, to the Participant for the shares covered by the Deferred Stock Award.

(b) Rights. Unless otherwise determined by the Committee and subject to the Plan, cash dividends on the Common Stock that is the subject of the Deferred Stock Award shall be automatically deferred and reinvested in additional Deferred Stock, and dividends on the Common Stock that is the subject of the Deferred Stock Award payable in Common Stock shall be paid in the form of Deferred Stock of the same class as the Common Stock on which such dividend was paid.

(c) Criteria. Based on service, performance by the Participant or by the Company or the Affiliate, including any division or department for which the Participant is employed or such other factors or criteria as the Committee may determine, the Committee may provide for the lapse of deferral limitations in installments and may accelerate the vesting of all or any part of any Award and waive the deferral limitations for all or any part of such Award.

(d) Forfeiture. Unless otherwise provided in an Agreement or determined by the Committee, if the Participant incurs a Termination of Employment during the Deferral Period due to death or Disability, the

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restrictions shall lapse and the Participant shall be fully vested in the Deferred Stock. Unless otherwise provided in an Agreement or determined by the Committee, upon a Participant's Termination of Employment for any reason during the Deferral Period other than death or Disability, the rights to the shares still covered by the Award shall be forfeited by the Participant, except the Committee shall have the discretion to waive in whole or in part any or all remaining deferral limitations with respect to any or all of such Participant's Deferred Stock.

(e) Election. A Participant may elect to further defer receipt of the Deferred Stock payable under an Award (or an installment of an Award) for a specified period or until a specified event, subject in each case to the Committee's approval and to such terms as are determined by the Committee. Subject to any exceptions adopted by the Committee, such election must be made at one (1) year prior to completion of the Deferral Period for the Award.

## ARTICLE X

### CHANGE IN CONTROL PROVISIONS

10.1 Impact of Event. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control (as defined in Section 10.2):

(a) Any Stock Appreciation Rights and Stock Options outstanding as

of the date such Change in Control and not then exercisable shall become fully exercisable to the full extent of the original grant;

(b) The restrictions and deferral limitations applicable to any Restricted Stock and Deferred Stock shall lapse, and such Restricted Stock and Deferred Stock shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

(c) Notwithstanding any other provision of the Plan, unless the Committee shall provide otherwise in an Agreement, a Participant shall have the right, whether or not the Award is fully exercisable or may be otherwise realized by the Participant, by giving notice during the 60-day period from and after a Change in Control to the Company, to elect to surrender all or part of the Award to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the "Change in Control Price" (as defined in Section 10.3) per share of Common Stock on the date of such election shall exceed the amount which the Participant must pay to exercise the Award per share of Common Stock under the Award (the "Spread") multiplied by the number of shares of Common Stock granted under the Award as to which the right granted hereunder shall have been exercised; provided, however, that if the end of such 60-day period from and after a Change in Control is within six months of the date of grant of the Award held by a Participant (except a Participant who has died during such six month period) who is an officer or director of the Company (within the meaning of Section 16(b) of the Exchange Act), such Award shall be cancelled in

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exchange for a payment to the Participant at the time of the Participant's Termination of Employment, equal to the Spread multiplied by the number of shares of Common Stock granted under the Award, plus interest on such amount at the prime rate compounded annually and determined from time to time. With respect to any Participant who is an officer or director of the Company (within the meaning of Section 16(b) of the Exchange Act), the 60-day period shall be extended, if necessary, to include the "window period" of Rule 16(b)-3 which first commences on or after the date of the Change in Control, and the Committee shall have sole discretion, if necessary, to approve the Participant's exercise hereunder and the date in which the Spread is calculated may be adjusted, if necessary, to a later date if necessary to avoid liability to such Participant under Section 16(b).

10.2 Definition of Change in Control. For purposes of the Plan, a "Change in Control" shall mean the happening of any of the following events:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's common stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's common stock immediately prior to the merger have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the merger; or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or

(b) the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company; or

(c) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing an amount greater than two times the aggregate percentage held or controlled by R.L. Parker, his son R.L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

(d) any three persons (as such term is used in Sections 13(d) and

14(d)(2) of the Exchange Act), other than the Company or any employee benefit plan sponsored by the Company, shall become the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company whose ownership represents an amount greater than four times the aggregate percentage held or controlled by R. L. Parker, his son R. L. Parker, Jr. and the Robert L. Parker Trust (and apart from rights accruing in special circumstances) having the right to vote in election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise; or

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(e) at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period. A Change of Control shall not be deemed to have occurred if banks or other creditors receive the Company's stock in conjunction with transactions involving forgiveness of outstanding debt or debt restructuring agreements.

(f) at any time an individual is elected to the Board of Directors who was not nominated by the Board of Directors of the Company to stand for election.

10.3 Change in Control Price. For purposes of the Plan, "Change in Control Price" means the higher of (a) the highest reported sales price of a share of Common Stock in any transaction reported on the principal exchange on which such shares are listed or on NASDAQ during the 60 day period prior to and including the date of a Change in Control or (b) if the Change in Control is the result of a tender or exchange offer or a Corporate Transaction, the highest price per share of Common Stock paid in such tender or exchange offer or a Corporate Transaction, except that, in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, such price shall be based only on the Fair Market Value of the Common Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration shall be determined in the sole discretion of the Committee.

## ARTICLE XI

### MISCELLANEOUS

11.1 Amendments and Termination. The Board may amend, alter, discontinue or terminate the Plan at any time, but no amendment, alteration, discontinuation or termination shall be made which would (a) impair the rights of a Participant under a Stock Option, Stock Appreciation Right, Restricted Stock Award or Deferred Stock Award theretofore granted without the Participant's consent, except such an amendment made to cause the Plan to qualify for the exemption provided by Rule 16b-3 or (b) disqualify the Plan from the exemption provided by Rule 16b-3. In addition, no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by law or agreement.

The Committee may amend the Plan at any time provided that (a) no amendment shall impair the rights of any Participant under any Award theretofore granted without the Participant's consent, (b) no amendment shall disqualify the Plan from the exemption provided by Rule 16b-3, and (c) any amendment shall be subject to the approval or rejection of the Board.

The Committee may amend the terms of any Award or other Award theretofore granted, prospectively or retroactively, but no such amendment shall impair the rights of any Participant without the Participant's consent, except such an amendment made to cause the Plan or Award to qualify for the exemption provided by Rule 16b-3. The Committee may also substitute new Stock Options or Stock Appreciation Rights for previously granted Stock Options,

including previously granted Stock Options or Stock Appreciation Rights having higher Option Prices but no such substitution shall be made which would impair the rights of Participants under such Stock Option or Stock Appreciation Right theretofore granted without the Participant's consent.

Subject to the above provisions, the Board shall have authority to amend the Plan to take into account changes in law and tax and accounting rules, as well as other developments and to grant Awards which qualify for beneficial treatment under such rules without shareholder approval.

11.2 Unfunded Status of Plan. It is intended that the Plan be an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; provided, however, that, unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

### 11.3 General Provisions.

(a) Representation. The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

(b) No Additional Obligation. Nothing contained in the Plan shall prevent the Company or an Affiliate from adopting other or additional compensation arrangements for its employees.

(c) Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Award, the Participant shall pay to the Company (or other entity identified by the Committee), or make arrangements satisfactory to the Company or other entity identified by the Committee regarding the payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount required in order for the Company or an Affiliate to obtain a current deduction. Unless otherwise determined by the Committee, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement provided that any applicable requirements under Section 16 of the Exchange Act are satisfied. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

(d) Reinvestment. The reinvestment of dividends in additional Deferred or Restricted Stock at the time of any dividend payment shall only be permissible if sufficient shares of Common Stock are available for such reinvestment (taking into account then outstanding Options and other Awards).

(e) Representation. The Committee shall establish such procedures as it deems appropriate for a Participant to designate a Representative to whom any amounts payable in the event of the Participant's death are to be paid.

(f) Controlling Law. The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware (other than its law respecting choice of law). The Plan shall be construed to comply with all applicable law, and to avoid liability to the Company, an Affiliate or a Participant, including, without limitation, liability under Section 16(b) of the Exchange Act.

(g) Offset. Any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any shares of Common Stock, cash or other thing of value under this Plan or an Agreement to be transferred to the Participant, and no shares of Common Stock, cash or other thing of value under this Plan or an Agreement shall be transferred unless and until all disputes between the Company and the Participant have been fully and finally resolved and the Participant has waived all claims to such against the Company or an Affiliate.

11.4 Mitigation of Excise Tax. If any payment or right accruing to a Participant under this Plan (without the application of this Section 11.4), either alone or together with other payments or rights accruing to the Participant from the Company or an Affiliate ("Total Payments") would constitute a "parachute payment" (as defined in Section 280G of the Code and regulations thereunder), such payment or right shall be reduced to the largest amount or greatest right that will result in no portion of the amount payable or right accruing under the Plan being subject to an excise tax under Section 4999 of the Code or being disallowed as a deduction under Section 280G of the Code. The determination of whether any reduction in the rights or payments under this Plan is to apply shall be made by the Committee in good faith after consultation with the Participant, and such determination shall be conclusive and binding on the Participant. The Participant shall cooperate in good faith with the Committee in making such determination and providing the necessary information for this purpose. The foregoing provisions of this Section 11.4 shall apply with respect to any person only if after reduction for any applicable federal excise tax imposed by Section 4999 of the Code and federal income tax imposed by the Code, the Total Payments accruing to such person would be less than the amount of the Total Payments as reduced, if applicable, under the foregoing provisions of the Plan and after reduction for only federal income taxes.

11.5 Rights with Respect to Continuance of Employment. Nothing contained herein shall be deemed to alter the relationship between the Company or an Affiliate and a Participant, or the contractual relationship between a Participant and the Company or an Affiliate if there is a written contract regarding such relationship. Nothing contained herein shall be construed to constitute a contract of employment between the Company or an Affiliate and a Participant. The Company or an Affiliate and each of the Participants continue to have the right to terminate the employment or service relationship

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at any time for any reason, except as provided in a written contract. The Company or an Affiliate shall have no obligation to retain the Participant in its employ or service as a result of this Plan. There shall be no inference as to the length of employment or service hereby, and the Company or an Affiliate reserves the same rights to terminate the Participant's employment or service as existed prior to the individual becoming a Participant in this Plan.

11.6 Awards in Substitution for Awards Granted by Other Corporations. Awards may be granted under the Plan from time to time in substitution for awards held by employees, directors or service providers of other corporations who are about to become officers, directors or employees of the Company or an Affiliate as the result of a merger or consolidation of the employing corporation with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing corporation, or the acquisition by the Company or Affiliate of the stock of the employing corporation, as the result of which it becomes a designated employer under the Plan. The terms and conditions of the Awards so granted may vary from the terms and conditions set forth in this Plan at the time of such grant as the majority of the members of the Committee may deem appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

11.7 Procedure for Adoption. Any Affiliate of the Company may by resolution of such Affiliate's board of directors, with the consent of the Board of Directors and subject to such conditions as may be imposed by the Board of Directors, adopt the Plan for the benefit of its employees as of the date specified in the board resolution.

11.8 Procedure for Withdrawal. Any Affiliate which has adopted the Plan

may, by resolution of the board of directors of such direct or indirect subsidiary, with the consent of the Board of Directors and subject to such conditions as may be imposed by the Board of Directors, terminate its adoption of the Plan. If the Participant disposes of shares of Common Stock acquired pursuant to an Incentive Stock Option in any transaction considered to be a disqualifying transaction under the Code, the Participant must give written notice of such transfer and the Company shall have the right to deduct any taxes required by law to be withheld from any amounts otherwise payable to the Participant.

11.9 Delay. If at the time a Participant incurs a Termination of Employment (other than due to Cause) or if at the time of a Change in Control, the Participant is subject to "short-swing" liability under Section 16 of the Exchange Act, any time period provided for under the Plan or an Agreement to the extent necessary to avoid the imposition of liability shall be suspended and delayed during the period the Participant would be subject to such liability, but not more than six (6) months and one (1) day and not to exceed the Option Period, or the period for exercise of a Stock Appreciation Right as provided in the Agreement, whichever is shorter. The Company shall have the right to suspend or delay any time period described in the Plan or an Agreement if the Committee shall determine that the action may constitute a violation of any law or result in liability under any law to the Company, an Affiliate or a shareholder of the Company until such time as the action required or permitted shall not constitute a violation of law or result in liability to the Company, an Affiliate or a shareholder of the Company. The Committee shall have the discretion to suspend the application of the provisions of the Plan required solely to comply with Rule 16b-3 if the Committee shall determine that Rule 16b-3 does not apply to the Plan.

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11.10 Headings. The headings contained in this Plan are for reference purposes only and shall not affect the meaning or interpretation of this Plan.

11.11 Severability. If any provision of this Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not effect any other provision hereby, and this Plan shall be construed as if such invalid or unenforceable provision were omitted.

11.12 Successors and Assigns. This Plan shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors.

11.13 Entire Agreement. This Plan and the Agreement constitute the entire agreement with respect to the subject matter hereof and thereof, provided that in the event of any inconsistency between the Plan and the Agreement, the terms and conditions of the Agreement shall control.

Executed on this 14th day of September, 1994.

PARKER DRILLING COMPANY

By /s/ Robert L. Parker Jr.  
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<TABLE>

SUBSIDIARIES OF THE REGISTRANT

<CAPTION>

Exhibit 21

Percentage of Voting  
Securities Owned By  
Immediate Parent as  
of August 31, 1995  
-----

Parent of the Registrant

Robert L. Parker

7% of Common Stock  
(7% of voting  
securities assuming  
full dilution)

<S>

<C>

Consolidated subsidiaries of the Registrant

(Jurisdiction of incorporation):

Parker Drilling Company of South America, Inc. (Oklahoma)	100%
Parker Drilling Company of Oklahoma, Inc. (Oklahoma)	100%
Parker Technology, Inc. (Oklahoma) <F1>	100%
Vance Systems Engineering, Inc. (Texas) <F2>	100%
Parker Drilling Company International Limited (Nevada) <F3>	100%
Parker Drilling Company of Alaska Limited (Alaska)	100%
Parker Drilling Company of New Guinea, Inc. (Oklahoma)	100%
Parker Drilling Company of North America, Inc. (Oklahoma)	100%
Parker Drilling Company Limited (Nevada)	100%

Certain subsidiaries have been omitted from the list since they would not, even if considered in the aggregate, constitute a significant subsidiary. All subsidiaries are included in the consolidated financial statements.

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<FN>

<F1>

Parker Technology, Inc. owns 100% of three subsidiary corporations, namely:

Parco Masts and Substructures, Inc. (Oklahoma)

O.I.M.E. Export Corporation (Texas)

O.I.M.E. International, Inc. (Texas)

<F2>

Vance Systems Engineering, Inc. owns 100% of Parker Drilling Company Limited (Bahamas), 100% of Parker Drilling Company Kuwait, Ltd. (Bahamas) and 93% of Parker Drilling Company Eastern Hemisphere, Ltd. (Oklahoma). Parker Drilling Company Limited owns 7% of Parker Drilling Company Eastern Hemisphere, Ltd. (Oklahoma).

<F3>

Parker Drilling Company International Limited owns 100% of three subsidiary corporations, namely:

Parker Drilling U.S.A. Ltd. (Nevada)

Choctaw International Rig Corp. (Nevada)

Creek International Rig Corp. (Nevada)

Choctaw International Rig Corp. owns 100% of the common stock of Parker Drilling Company of Indonesia, Inc. (Oklahoma).

</FN>

</TABLE>

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Parker Drilling Company on Form S-8 (File No. 2-87944, 33-24155, 33-56698 and 33-57345) of our report dated October 17, 1995, on our audits of the consolidated financial statements and financial statement schedules of Parker Drilling Company and subsidiaries as of August 31, 1995 and 1994, and for the years ended August 31, 1995, 1994 and 1993, which report is included in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.

Tulsa, Oklahoma  
October 17, 1995

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AS OF AUGUST 31, 1995 AND THE CONSOLIDATED STATEMENT OF OPERATIONS FOR THE TWELVE MONTHS ENDED AUGUST 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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