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

FORM 10-Q

(Mark One)
/ / QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED

OR

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

FOR THE TRANSITION PERIOD FROM September 1, 1998 TO December 31, 1998
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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 incorporation or organization)	(I.R.S. Employer Identification No.)

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

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 X No
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As of January 31, 1999, 76,916,274 common shares were outstanding.

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<TABLE>

PARKER DRILLING COMPANY

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PART 1. FINANCIAL INFORMATION

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

<CAPTION>

	December 31, 1998	August 31, 1998
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 24,314	$ 45,254
Other short-term investments	-	9,999
Accounts and notes receivable	105,810	113,050
Rig materials and supplies	18,755	22,596
Other current assets	13,224	13,993
Total current assets	162,103	204,892
Property, plant and equipment less accumulated depreciation and amortization of $445,464 at December 31, 1998 and $432,325 at August 31, 1998	750,163	727,840
Goodwill, net of accumulated amortization of $13,025 at December 31, 1998 and $10,216 at August 31, 1998	214,232	216,973
Other noncurrent assets	53,118	50,839
Total assets	$1,179,616	$1,200,544

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LIABILITIES AND STOCKHOLDERS' EQUITY

<S> <C> <C>

Current liabilities:		
Current portion of long-term debt	$ 31,404	$ 21,469
Accounts payable and accrued liabilities	72,437	90,709
Accrued income taxes	7,576	6,032
	----------	----------
Total current liabilities	111,417	118,210
	----------	----------
Long-term debt	630,479	630,090
Deferred income tax	41,253	47,400
Other long-term liabilities	32,517	26,882
Stockholders' equity:		
Common stock, $.16 2/3 par value	12,815	12,794
Capital in excess of par value	341,699	341,099
Retained earnings	9,436	24,069
	----------	----------
Total stockholders' equity	363,950	377,962
	----------	----------
Total liabilities and stockholders' equity	$1,179,616	$1,200,544
	----------	----------
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See accompanying notes to consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands Except Per Share Amounts)
(Unaudited)

<CAPTION>

	Four Months Ended	

	Dec. 31, 1998	Dec. 31, 1997
	--------	---------
<S>	<C>	<C>
Revenues:		
Land drilling	$ 71,961	$ 90,740
Offshore drilling	53,935	47,695
Rental tools	10,245	10,887
Other	582	459
	--------	--------
Total revenues	136,723	149,781
	--------	--------
Operating expenses:		
Land drilling	54,154	60,129
Offshore drilling	40,494	27,412
Rental tools	4,416	4,080
Other	932	677
Depreciation and amortization	26,529	19,556
General and administrative	5,904	5,456
Provision for reduction in carrying value of certain assets (Note 6)	4,055	-
	--------	--------
Total operating expenses	136,484	117,310
	--------	--------
Operating income	239	32,471
	--------	--------
Other income and (expense):		
Interest expense	(17,427)	(16,310)
Interest income	619	3,703
Other income - net	301	6,204
	--------	--------
Total other income and (expense)	(16,507)	(6,403)
	-------	--------
Income (loss) before income taxes	(16,268)	26,068
	--------	--------

Income tax expense (benefit):		
Current tax expense-foreign	4,512	7,022
Deferred tax benefit	(6,147)	-
	(1,635)	7,022
Net income (loss)	$(14,633)	$ 19,046
Earnings (loss) per share,		
Basic	$ (.19)	$ .25
Diluted	$ (.19)	$ .24
Number of common shares used in computing earnings per share:		
Basic	76,828,879	76,517,686
Diluted	76,828,879	78,546,274

See accompanying notes to consolidated condensed financial statements.

</TABLE>
<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Dollars in Thousands)
(Unaudited)

<CAPTION>

	Four Months Ended December 31,	
	1998	1997
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ (14,633)	$19,046
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	26,529	19,556
Expenses not requiring cash	1,875	1,055
Deferred income taxes	(6,147)	-
Provision for reduction in carrying value of certain assets	4,055	-
Gain on disposition of OnSite investment	-	(4,562)
Change in operating assets and liabilities	153	(15,118)
Other-net	(605)	(1,284)
Net cash provided by operating activities	11,227	18,693
Cash flows from investing activities:		
Capital expenditures	(52,711)	(41,171)
Acquisition of Hercules	-	(194,452)
Acquisition of Bolifor	(500)	-
Proceeds from sale of OnSite investment	-	7,998
Proceeds from the sale of equipment	1,481	1,435
Purchase of short-term investments	-	(230)
Proceeds from sale of short-term investments	9,999	3,068
Other-net	1,000	36
Net cash used in investing activities	(40,731)	(223,316)
Cash flows from financing activities:		
Proceeds from issuance of debt	10,000	32,000

Principal payments under debt obligations	(1,441)	(4,868)
Other	5	(16)
	---------	---------
Net cash provided by financing activities	8,564	27,116
	---------	---------
Net change in cash and cash equivalents	(20,940)	(177,507)
Cash and cash equivalents at beginning of period	45,254	209,951
	---------	---------
Cash and cash equivalents at end of period	$ 24,314	$ 32,444
	---------	---------
	---------	---------
Supplemental cash flow information:		
Interest paid	$ 22,802	$ 17,461
Taxes paid	$ 2,968	$ 3,823

See accompanying notes to consolidated condensed financial statements.
</TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. The Company has decided to change its fiscal year end from August 31 to December 31, effective for the fiscal year beginning January 1, 1999. The consolidated condensed financial statements included in this Form 10-Q represent the period from September 1, 1998 through December 31, 1998, the Company's transition period (the "Transition Period"), preceding the beginning of the new fiscal year.

   In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements reflect all adjustments (of a normally recurring nature) which are necessary for a fair presentation of (1) the financial position as of December 31, 1998 and August 31, 1998, (2) the results of operations for the four months ended December 31, 1998 and December 31, 1997, and (3) cash flows for the four months ended December 31, 1998 and December 31, 1997. Results for the four months ended December 31, 1998 are not necessarily indicative of the results which will be realized for the year ending December 31, 1999. The August 31, 1998 consolidated condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended August 31, 1998.

2. In February 1997, Statement of Financial Accounting Standards No. 128, "Earnings per Share," was issued. This statement replaced the previously required presentation of primary earnings per share (EPS) with a presentation of basic EPS that excludes dilutive securities from the computation. It also requires a presentation of diluted EPS that is computed similarly to the fully diluted EPS calculation previously required. The requirements of this statement have been followed for all earnings per share figures included in this Form 10-Q.

<TABLE>

RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<CAPTION>

	For the Four Months Ended December 31, 1998		
<S>	<C>	<C>	<C>
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
	-----------	-------------	---------
Basic EPS:			
Income available to			

common stockholders	$(14,633,000)	76,828,879	$(.19)
Effect of Dilutive Securities:			
Stock options and grants		-	
Diluted EPS:			
Income available to common stockholders + assumed conversions	$(14,633,000)	76,828,879	$(.19)

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<TABLE>

<S>	For the Four Months Ended December 31, 1997		
	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
Basic EPS:			
Income available to common stockholders	$ 19,046,000	76,517,686	$ .25
Effect of Dilutive Securities:			
Stock options and grants		2,028,588	
Diluted EPS:			
Income available to common stockholders + assumed conversions	$ 19,046,000	78,546,274	$ .24

</TABLE>

The Company has outstanding $175,000,000 of Convertible Subordinated Notes which are convertible into 11,371,020 shares of common stock at $15.39 per share. The notes were outstanding during the four months ended December 31, 1998 but were not included in the computation of diluted EPS because the assumed conversion of the notes would have had an anti-dilutive effect on EPS. In addition, at December 31, 1998, options to purchase 5,595,000 shares of common stock at prices ranging from $2.25 to $12.1875, were outstanding but not included in the computation of diluted EPS because the assumed exercise of the options would have had an anti-dilutive effect on EPS due to the net loss in the current period.

3. On December 30, 1997, the Company acquired all of the outstanding capital stock of Hercules Offshore Corporation, a Texas corporation ("HOC"), and all of the outstanding capital stock of Hercules Rig Corp., a Texas corporation ("HRC") and an affiliate of HOC (HOC and HRC being collectively referred to as "Hercules"), for $195.6 million, including acquisition costs. The purchase prices for the acquisitions were adjusted for certain debt assumed by the Company, for capital expenditures incurred subsequent to the purchase agreement date and for levels of working capital at closing. Hercules owns three self-erecting platform rigs and seven offshore jackup rigs.

The acquisition has been accounted for by the purchase method of accounting, and the reported financial results include the Hercules operations from the date of acquisition. The excess of purchase price over the fair values of the net assets acquired was $83.9 million and has been recorded as goodwill, which is being amortized on a straight-line basis over 30 years.

The acquisition of Hercules was primarily funded with proceeds from the July 1997 issuance of the Company's $175 million 5 1/2% Convertible Subordinated Notes.

The following unaudited pro forma information presents a summary of the four months consolidated results of operations of the Company and Hercules as if the acquisition of Hercules had occurred September 1, 1997.

<TABLE>
<CAPTION>

(Thousands except per share amounts)

	Four Months Ended	
	Actual Dec. 31, 1998	Pro Forma Dec. 31, 1997
<S>	<C>	<C>
Revenues	$136,723	$175,185
Net income (loss)	$(14,633)	$ 19,712
Diluted earnings (loss) per share	$ (.19)	$ .25

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

4. Information regarding the Company's operations by industry segment for the four months ended December 31, 1998 and 1997 is as follows (dollars in thousands):

<TABLE>
<CAPTION>

	December 31, 1998	December 31, 1997
<S>	<C>	<C>
Revenues:		
Land drilling	$ 71,961	$ 90,740
Offshore drilling	53,935	47,695
Rental tools	10,245	10,887
Other	582	459
Net revenues	$ 136,723	$ 149,781
Operating income (loss):		
Land drilling <1>	5,006	21,702
Offshore drilling	(1,053)	12,427
Rental tools	3,086	4,637
Other	(896)	(839)
General and administrative	(5,904)	(5,456)
Total operating income	239	32,471
Interest expense	(17,427)	(16,310)
Other income (expense)-net	920	9,907
Income (loss) before income taxes	$ (16,268)	$ 26,068

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<1>

(1) The four months ended December 31, 1998 includes provision of $4,055 for reduction in carrying value of certain assets. (See note 6 below.)

</TABLE>

5. In the third quarter of fiscal year 1998, ended May 31, 1998, the Company reviewed the estimated useful life of its land drilling fleet used for financial depreciation purposes. As a result, the estimated life was extended from 10 to 15 years with a 5% salvage value for most of the major rig components, resulting in a reduction in depreciation expense of approximately $1.7 million for the four months ended December 31, 1998. The Company's historical experience and a comparison with other firms in the industry indicates that its land drilling equipment has a useful life of at least 15 years. The depreciable lives for certain equipment, including drill pipe, were not extended.

6. In December 1998, the Company determined that its operations in Argentina do not meet its strategic objectives and, therefore, has decided that such assets would be actively marketed for disposition. The assets in Argentina consist of 13 drilling rigs and inventories related to these rigs. The Company had previously recognized six of the thirteen rigs as held for sale. The current decision includes all Argentina assets. Due to depressed industry conditions an impairment loss of $4,055,000 was recognized in December 1998. The net realizable value of the Argentina assets is included in other non-current assets.

Report of Independent Accountants

To the Board of Directors and Shareholders
Parker Drilling Company

We have reviewed the consolidated condensed balance sheet of Parker Drilling Company and subsidiaries as of December 31, 1998, and the related consolidated condensed statement of operations for the four month period ended December 31, 1998 and consolidated condensed statement of cash flows for the four month period ended December 31, 1998. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of August 31, 1998, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report, dated October 22, 1998, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 1998, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

By: /s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Tulsa, Oklahoma
February 16, 1999

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q contains certain statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. These statements may be made directly in this document, referring to the Company, or in other documents filed by the Company with the Securities and Exchange Commission, and referred to in this Form 10-Q. All statements included in this document, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including future operating results, future capital expenditures and investments in the acquisition and refurbishment of rigs and equipment, repayment of debt, expansion and growth of operations, Year 2000 issues, and other such matters, are forward-looking statements.

Forward-looking statements are based on certain assumptions and analyses made by the management of the Company in light of their experience and perception of historical trends, current conditions, expected future developments and other factors they believe are relevant. Although management of the Company believes that their assumptions are reasonable based on current information available, they are subject to certain risks and uncertainties, many of which are outside the control of the Company. These risks include worldwide economic and business conditions, oil and gas market prices, industry conditions, international trade restrictions and political instability, operating hazards and uninsured risks, governmental regulations and environmental matters, substantial leverage, seasonality and adverse weather conditions, concentration of customer and supplier relationships, potential changes in stock prices, upgrade and refurbishment projects, competition, integration of operations, acquisition strategy, and other similar factors (some of which are discussed in documents referred to in this Form 10-Q.) Because the forward-looking statements are subject to risks and uncertainties, the actual results of operations and actions taken by the Company may differ materially from those expressed or implied by such forward-looking statements.

OUTLOOK AND OVERVIEW

The loss recognized for the four months ended December 31, 1998 reflects the significant decrease in rig utilization and in dayrates since the third quarter of fiscal year 1998. Lower crude oil prices have negatively impacted the revenue and profits of oil operators, who have responded by reducing exploration and development expenditures. This decline in spending has adversely affected the level of oilfield activity, and in turn, the revenue of most companies in the oilfield service industry.

If the depressed level of oilfield activity persists, the Company anticipates that it will continue to incur losses. Management believes that cash provided by operations and funds available under the Company's revolving credit facility will be adequate to meet working capital needs based on the continuation of current rig utilization and dayrates, current projected levels of capital expenditures and anticipated prepayments to offset construction costs of a barge rig. In order to conserve cash, management is taking steps to reduce certain discretionary capital expenditures, is reorganizing its worldwide drilling operations to reduce operating and overhead costs, and is considering the strategic sale of certain assets. Management is unable to predict when and to what extent the level of oilfield activity will recover.

RESULTS OF OPERATIONS

Four Months Ended Dec. 31, 1998 Compared with Four Months Ended Dec. 31, 1997

The Company has decided to change its fiscal year end from August 31 to December 31, effective for the fiscal year beginning January 1, 1999. The consolidated condensed financial statements included in this Form 10-Q represent the period from September 1, 1998 through December 31, 1998, the Company's transition period (the "Transition Period"), preceding the beginning of the new fiscal year.

The Company's operations and results have been altered significantly by the acquisitions of Mallard Bay Drilling, Inc. ("Mallard") and Quail Tools, Inc. ("Quail") in November 1996, the acquisition of Bolifor in July 1997 and the acquisition of Hercules in December 1997. The results of operations of Mallard, Quail and Bolifor are included in both periods presented while Hercules is only included subsequent to December 30, 1997, its date of acquisition.

The Company recorded a net loss of $14.6 million for the Transition Period compared to net income of $19.0 million recorded for the four month period ended December 31, 1997. The depressed drilling market conditions which began to affect the Company's utilization and dayrates in the second half of fiscal 1998 continued to negatively impact the Company's results in the Transition Period. Each of the Company's primary operating segments--land drilling, offshore drilling and rental tools--experienced a reduction of profit margin (revenue less direct operating expense) when comparing the two periods. In addition, in the Transition Period, the Company recorded a $4.1 million impairment loss (classified as 'Provision for reduction in carrying value of certain assets' on the Statement of Operations) on its rigs and equipment in Argentina which are being held for sale.

Revenue decreased $13.1 million from $149.8 million in the four months ended December 31, 1997 to $136.7 million in the Transition Period. Land drilling revenue decreased $18.8 million to $72.0 million, largely due to reduced rig utilization in Papua New Guinea, Argentina, Pakistan, Niger and the continental United States. Additionally, in Indonesia, the Company's land drilling revenue continued to be negatively impacted by the fiscal 1998 termination of the geothermal projects on which the Company was providing management, technical and training support. The Company did record drilling revenue increases in Ecuador and Kazakhstan due to increased utilization in those countries.

Offshore drilling revenue increased $6.2 million to $53.9 million due to the December 1997 acquisition of Hercules, whose operations produced revenue of $13.6 million in the Transition Period. Mallard's offshore drilling revenue decreased $7.4 million when comparing the Transition Period to the four months ended December 31, 1997. Revenue from Mallard's domestic operations decreased $14.5 million to $21.9 million due to lower utilization and dayrates in both drilling and workover operations. Revenue increases from Mallard's international operations in Nigeria and Venezuela partially offset these domestic decreases, due to increased dayrates on one barge rig contract in Nigeria and commencement of operations of barge Rig 76 in Venezuela in September 1998.

Rental tool revenue declined $.6 million. Revenue generated from the Company's Victoria, Texas facility, which opened in November 1997, somewhat offset reduced revenue generated from rentals from the Company's New Iberia, Louisiana facility.

RESULTS OF OPERATIONS (continued)
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The Company's overall profit margin, excluding the $4.1 million provision for reduction in carrying value of certain assets, was 26.9% of revenue in the Transition Period, as compared to 38.4% in the four month period ended December 31, 1997. The reduced profit margin is due to revenue decreasing to a greater degree than direct operating costs. Offshore drilling profit margins were impacted by weakness in the shallow water jackup drilling market, negatively affecting both utilization of and dayrates earned by these rigs. Additionally, Mallard's transition zone barge drilling and workover rigs operating in the Gulf of Mexico experienced lower utilization and earned lower average dayrates in the Transition Period than in the same period of the prior year. Land drilling profit margins declined primarily due to lower utilization in most markets in which the Company operates.

Depreciation and amortization expense increased $7.0 million to $26.5 million in the Transition Period. Depreciation expense and amortization of goodwill of $5.8 million related to the Hercules acquisition, were the primary reasons for the increase. Depreciation expense recorded on fiscal 1998 capital additions also contributed to the increase, which was offset by a reduction of approximately $1.7 million due to the extension of the depreciable lives of the Company's land drilling fleet from 10 to 15 years in the third quarter of fiscal 1998.

Interest expense increased $1.1 million due to higher debt levels outstanding in the Transition Period than in the prior year period. In calendar year 1998, the Company incurred an additional $150.0 million in Senior Notes debt and borrowed $30.0 million under the revolving credit facility. A portion of the proceeds from the $150.0 million in Senior Notes, which were issued in March 1998, was used to repay $83.0 million under a bank term loan. The increased interest expense from this additional debt was offset somewhat by a $1.7 million increase in interest capitalized to construction projects. Interest income decreased $3.1 million due to lower average cash balances maintained during the Transition Period when compared to the prior year period. The decrease in Other income - net, $5.9 million, was primarily due to the gain of $4.6 million recorded during the four months ended December 31, 1997, on the Company's disposition of its interest in OnSite Technology L.L.C.

Income tax expense consists primarily of foreign tax expense and deferred tax benefit. The decrease in foreign tax expense is directly attributed to declining revenues and operating income during the Transition Period at international locations. The deferred tax benefit is due to the net loss incurred during the Transition Period.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash, cash equivalents and other short-term investments of $24.3 million at December 31, 1998, a decrease of $30.9 million from the August 31, 1998 balance. Primary sources of cash during the Transition Period were $11.2 million provided by operating activities, as reflected on the Consolidated Statements of Cash Flows, and $10.0 million borrowed under the Company's revolving credit facility. Capital expenditures of $52.7 million were the Company's primary use of cash during the Transition Period.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Major capital projects on-going during the Transition Period included the modification of barge Rig 71 (re-numbered 257), which is being modified for a contract in the Caspian Sea, and the construction of new barge Rig 75 for a contract in Nigeria. It is anticipated that drilling operations under both contracts will begin in mid-1999. Other major expenditures included the modification of a land rig for a contract in Kazakhstan, which commenced drilling during the Transition Period, and the construction of a new support facility in New Iberia, Louisiana for the Company's drilling operations.

To finance the Company's November 1996 acquisitions of Mallard and Quail, the July 1997 acquisition of the assets of Bolifor and the December 1997 acquisition of Hercules as well as the significant capital expenditures made in fiscal year 1998 and during the Transition Period, the Company has issued various debt instruments. The Company has total long-term debt, including the current portion, of $661.9 million at December 31, 1998. The Company's Series D 9 3/4% Senior Notes of $450.0 million are payable November 2006 and $175.0 million of 5 1/2% Convertible Subordinated Notes are payable July 2004. The Convertible Subordinated Notes are convertible at the option of the holder into shares of common stock of Parker Drilling Company at any time prior to maturity at a conversion price of $15.39 per share.

The Company has a $75.0 million revolving credit facility which is available for working capital requirements, general corporate purposes and to support letters of credit. Availability under the revolving credit facility is subject to certain borrowing base limitations based on 80% of eligible accounts receivable plus 50% of supplies in inventory. At December 31, 1998, $30.0 million was outstanding under the revolving credit facility and $12.9 million in letters of credit had been issued, leaving $32.1 million available under the revolver. The revolving credit facility terminates on December 31, 2000.

Both the Senior Notes and the revolving credit facility contain customary affirmative and negative covenants, including restrictions on incurrence of debt and sales of assets. The revolving credit facility prohibits, among other things, payment of dividends and the indenture for the Senior Notes restricts the payment of dividends.

The Company anticipates cash requirements for capital spending will be substantially less in calendar year 1999 (anticipated $85.0 million) than in fiscal year 1998 ($196.1 million). The Company's two most significant on-going construction projects, the modification of barge Rig 71/257 for service in the Caspian Sea and the construction of barge Rig 75 for service in Nigeria, are scheduled for completion in mid-1999. In addition, the Company will receive prepayments from the operator to offset a substantial portion of the expenditures required to modify Rig 71/257.

If the depressed level of oilfield activity persists, the Company anticipates that it will continue to incur losses. Management believes that cash provided by operations and funds available under the Company's revolving credit facility will be adequate to meet working capital needs based on the continuation of current rig utilization and dayrates, current projected levels of capital expenditures and anticipated prepayments to offset construction costs of a barge rig. In order to conserve cash, management is taking steps to reduce certain discretionary capital expenditures, is reorganizing its worldwide drilling operations to reduce operating and overhead costs, and is considering the strategic sale of certain assets. Management is unable to predict when and to what extent the level of oilfield activity will recover.

OTHER MATTERS

Indonesian Operations

The current economic conditions in Indonesia have created uncertainty regarding the Company's Indonesian operations. The Company provides management, technical and training support to an Indonesian-owned drilling contractor, whose services include the drilling of geothermal wells related to power plant projects. Due to the uncertain economic conditions in Indonesia, certain of these power plant projects have been postponed or delayed. As a result, payments from a significant customer for services provided by the Indonesian contractor have been delayed. The Indonesian contractor has initiated an arbitration against its customer for payment of outstanding receivables. The Company believes that resolution of this matter will not have a material adverse effect on the Company's results of operations or financial position.

Year 2000

The Company plans to achieve and maintain Year 2000 compliance with a project consisting of seven phases. The phases include Awareness, Inventory, Assessment, Detailed Analysis, Compliance Testing, Remediation and Monitoring Compliance. Prior to establishing the Year 2000 project, the Company made a decision to replace most of its outdated systems with state-of-the-art integrated systems and standardized desktop systems. The Company spent much of 1997 replacing critical financial, human resources and payroll systems with new purchased software that is Year 2000 certified by the Information Technology Association of America. The Year 2000 problem was not the main reason for upgrading the information technology platform, however it will be beneficial in achieving Year 2000 compliance.

The Company has completed the initial awareness phase, inventory and assessment and partial testing of its core information technology systems. The inventory and assessment of non-information technology systems including telecommunication systems, business machines, security systems, premise equipment, rig equipment and other embedded chip technology is partially completed. The Company is surveying its critical supply chain and business partners to establish their state of readiness. It is expected that all critical systems testing and necessary remediation will be completed by the end of the second quarter of calendar 1999. The remainder of calendar 1999 will be devoted to monitoring compliance, developing and testing contingency plans.

At this time no system replacement dates were accelerated because of the Year 2000 problem. The cost to date for the project has been in internal salaries and purchasing some testing software. The software costs to date are not deemed material. Approximately $400,000 has been budgeted for the Year 2000 project in calendar year 1999.

OTHER MATTERS (continued)
- -------------

The Company is confident that its critical business and operations systems will be ready for the Year 2000. The greatest risks for Year 2000 problems include local accounting systems used in some countries, the telecommunications/utility infrastructures in many foreign countries and the vendor supply chain. Additional risks will be faced if key business partners, suppliers, banks, utilities, communications, transportation or government services are not compliant for the Year 2000. In the event the Company and/or its suppliers and vendors are unable to remediate the Year 2000 problem prior to January 1, 2000, operations of the Company could be significantly impacted. In order to mitigate this risk, the Company is developing a contingency plan to continue operations should it become necessary to do so. Such procedures are expected to include alternative suppliers, communications, and transportation plans. The contingency plan will be completed by the third quarter of calendar 1999.

PART II. OTHER INFORMATION

<TABLE>
<CAPTION>

<S> <C> <C>
Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

	Page
Exhibit 15 Letter re Unaudited Interim Financial Information	18
Exhibit 27 Financial Data Schedule [Edgar Version Only]	

(b) Reports on Form 8-K - Parker Drilling Company ("Parker") filed a report on Form 8- K on November 6, 1998 in which the Company announced that it had entered into an Agreement and Plan of Merger under which Superior Energy Services, Inc. ("Superior") would become a wholly owned subsidiary of Parker. Parker and Superior subsequently announced on January 7, 1999 that they had jointly agreed to terminate their merger agreement, with Superior agreeing to make a cash payment to Parker in settlement of certain obligations under the merger agreement.

</TABLE>

SIGNATURES

Pursuant to the requirements 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

Registrant

Date: February 16, 1999

By: /s/ James J. Davis

James J. Davis
Senior Vice President-Finance and
Chief Financial Officer

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield
Controller and
Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit Number	Description
15	Letter re Unaudited Interim Financial Information
27	Financial Data Schedule [Edgar Version Only]

Exhibit 15

February 16, 1999

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 10549

Re: Parker Drilling Company
Registration on Form S-8

We are aware that our report dated February 16, 1999, on our review of the interim financial information of Parker Drilling Company for the period ended December 31, 1998 and included in this Form 10-Q is incorporated by reference in the Company's registration statements on Form S-8 (File No. 2-87944, 33-24155, 33-56698 and 33-57345). Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Section 7 and 11 of that Act.

By:/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED CONDENSED BALANCE SHEET AS OF DECEMBER 31, 1998 AND THE CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS FOR THE FOUR MONTHS ENDED DECEMBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BE REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F1>PARKER DRILLING COMPANY IS CHANGING ITS FISCAL YEAR-END FROM AUGUST 31 TO DECEMBER 31, EFFECTIVE DECEMBER 31, 1998. DECEMBER 31, 1998 IS THE PERIOD ENDING DATE FOR THE COMPANY'S FOUR MONTH TRANSITION PERIOD.
</FN>

</TABLE>