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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1999

OR

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

FOR THE TRANSITION PERIOD FROM TO
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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 June 30, 1999, 77,169,309 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>

	June 30, 1999	December 31, 1998
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 19,043	$ 24,314
Other short-term investments	300	
Accounts and notes receivable	91,986	105,810
Rig materials and supplies	12,277	18,755
Other current assets	10,676	13,224
Total current assets	134,282	162,103
Property, plant and equipment less accumulated depreciation and amortization of $466,318 at June 30, 1999 and $445,464 at December 31, 1998	719,271	729,873
Goodwill, net of accumulated amortization of $16,601 at June 30, 1999 and $13,025 at December 31, 1998	208,220	214,232
Other noncurrent assets	56,312	53,118
Total assets	$1,118,085	$1,159,326
LIABILITIES AND STOCKHOLDERS' EQUITY		
<S>	<C>	<C>
Current liabilities:		
Current portion of long-term debt	$ 41,260	$ 31,404
Accounts payable and accrued liabilities	60,248	72,437

Accrued income taxes	6,670	7,576
Total current liabilities	108,178	111,417
Long-term debt	629,097	630,479
Deferred income tax	29,726	41,253
Other long-term liabilities	12,088	12,227
Stockholders' equity:		
Common stock, $.16 2/3 par value	12,862	12,815
Capital in excess of par value	342,567	341,699
Retained earnings (accumulated deficit)	(16,433)	9,436
Total stockholders' equity	338,996	363,950
Total liabilities and stockholders' equity	$1,118,085	$1,159,326

See accompanying notes to consolidated condensed financial statements.
</TABLE>
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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands Except Per Share Amounts)
(Unaudited)

<CAPTION>

	Three Months Ended		Six Months Ended	
	June 30, 1999	June 30, 1998	June 30, 1999	June 30, 1998
<S>	<C>	<C>	<C>	<C>
Revenues:				
Domestic drilling	$ 28,871	$ 55,271	$ 57,288	$110,913
International drilling	46,811	57,973	97,752	120,907
Rental tools	6,288	7,877	13,555	16,548
Other	24	531	245	998
Total revenues	81,994	121,652	168,840	249,366
Operating expenses:				
Domestic drilling	23,586	34,593	51,431	70,676
International drilling	31,680	42,020	66,698	81,768
Rental tools	2,818	3,361	5,375	7,079
Other	11	519	108	1,027
Depreciation and amortization	20,326	17,613	40,302	36,022
General and administrative	3,791	4,694	8,195	9,361
Restructuring charges (Note 6)	800	-	3,000	-
Provision for reduction in carrying value of certain assets (Note 5)	3,750	-	5,250	-
Total operating expenses	86,762	102,800	180,359	205,933
Operating income (loss)	(4,768)	18,852	(11,519)	43,433
Other income and (expense):				
Interest expense	(13,383)	(12,368)	(26,647)	(25,276)
Interest income	282	817	669	1,379
Other income - net	1,096	(501)	5,220	(880)
Total other income and (expense)	(12,005)	(12,052)	(20,758)	(24,777)
Income (loss) before income taxes	(16,773)	6,800	(32,277)	18,656
Income tax expense (benefit):				
Current tax expense-foreign	2,127	1,294	5,119	7,153
Deferred tax expense (benefit)	(5,827)	2,100	(11,527)	2,100

	(3,700)	3,394	(6,408)	9,253
Net income (loss)	$(13,073)	$ 3,406	$(25,869)	$ 9,403
Earnings (loss) per share, Basic	$ (.17)	$ .04	$ (.34)	$ .12
Diluted	$ (.17)	$ .04	$ (.34)	$ .12
Number of common shares used in computing earnings per share:				
Basic	77,118,498	76,733,708	77,039,523	76,717,778
Diluted	77,118,498	77,223,736	77,039,523	77,580,927

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>

<S> <C> <C>

	Six Months Ended June 30,	
	1999	1998
Cash flows from operating activities:		
Net income (loss)	$ (25,869)	$ 9,403
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	40,302	36,022
Expenses not requiring cash	2,208	2,332
Deferred income taxes	(11,527)	2,100
Provision for reduction in carrying value of certain assets	5,250	-
Change in operating assets and liabilities	2,414	44,936
Other-net	(2,949)	(876)
Net cash provided by operating activities	9,829	93,917
Cash flows from investing activities:		
Capital expenditures	(35,867)	(116,593)
Acquisition of Hercules	-	(1,147)
Acquisition of Bolifor	-	(2,189)
Proceeds from the sale of equipment	11,986	3,125
Purchase of short-term investments	(300)	-
Other-net	463	(802)
Net cash used in investing activities	(23,718)	(117,606)
Cash flows from financing activities:		
Proceeds from issuance of debt	10,252	152,809
Principal payments under debt obligations	(1,568)	(119,313)
Other	(66)	(157)
Net cash provided by financing activities	8,618	33,339
Net change in cash and cash equivalents	(5,271)	9,650

Cash and cash equivalents at beginning of period	24,314	32,444
Cash and cash equivalents at end of period	$ 19,043	$ 42,094
Supplemental cash flow information:		
Interest paid	$ 28,335	$ 24,416
Taxes paid	$ 6,025	$ 6,859

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 changed 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 January 1, 1999 through June 30, 1999, the first six months reported under the Company's new fiscal year, and the comparable period in the prior 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 June 30, 1999 and December 31, 1998, (2) the results of operations for the three and six months ended June 30, 1999 and 1998, and (3) cash flows for the six months ended June 30, 1999 and 1998. Results for the six months ended June 30, 1999 are not necessarily indicative of the results which will be realized for the year ending December 31, 1999. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended August 31, 1998. Our independent accountants have performed a review of these interim financial statements in accordance with standards established by the American Institute of Certified Public Accountants. Pursuant to Rule 436(c) under the Securities Act of 1933, their report of that review should not be considered a part of any registration statements prepared or certified by them within the meaning of Sections 7 and 11 of that Act.

2. Statement of Financial Accounting Standards No. 128, "Earnings per Share," requires a presentation of basic earnings per share (EPS) that excludes dilutive securities from the computation as well as a presentation of diluted EPS that includes the effect of any dilutive securities in the computation. 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 Three Months Ended June 30, 1999		
<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
Basic EPS:			
Income available to common stockholders	$(13,073,000)	77,118,498	$(.17)
Effect of Dilutive Securities:			
Stock options and grants		-	

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Diluted EPS:			
Income available to common stockholders	$(13,073,000)	77,118,498	$(.17)

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

<TABLE>

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

<CAPTION>

For the Six Months Ended June 30, 1999

<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
Basic EPS:			
Income available to common stockholders	$(25,869,000)	77,039,523	$(.34)
Effect of Dilutive Securities:			
Stock options and grants		-	
Diluted EPS:			
Income available to common stockholders	$(25,869,000)	77,039,523	$(.34)

For the Three Months Ended June 30, 1998

<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
Basic EPS:			
Income available to common stockholders	$ 3,406,000	76,733,708	$ .04
Effect of Dilutive Securities:			
Stock options and grants		490,028	
Diluted EPS:			
Income available to common stockholders	$ 3,406,000	77,223,736	$ .04

</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>

For the Six Months Ended June 30, 1998

<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
Basic EPS:			
Income available to			

common stockholders	$ 9,403,000	76,717,778	$ .12
Effect of Dilutive Securities:			
Stock options and grants		863,149	
Diluted EPS:			
Income available to common stockholders	$ 9,403,000	77,580,927	$ .12

</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 periods ended June 30, 1999 and 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, for the three and six months ended June 30, 1999, options to purchase 5,405,000 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. For the three and six months ended June 30, 1998, options to purchase 1,450,500 shares at prices ranging from $9.3125 to $12.1875 and 1,430,500 shares at prices ranging from $10.8125 to $12.1875, respectively, were outstanding but not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of common shares during the periods. During July 1999, the Company issued options on 1,884,000 shares of common stock.

3. During the six months ended June 30, 1999 the Company has restructured its worldwide drilling operations into two primary business units, "Domestic Operations" and "International Operations." The Company makes operating decisions and assesses performance based on these geographic segments and based on services provided: land drilling, offshore drilling and rental tools. Information regarding the Company's operations by industry segment for the three and six months ended June 30, 1999 and 1998 is as follows (dollars in thousands):

<TABLE>
<CAPTION>

	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
<S>	<C>	<C>	<C>	<C>
Revenues:				
Domestic drilling				
Land	$ 4,575	$ 11,923	$ 11,635	$ 24,676
Offshore	24,296	43,348	45,653	86,237
International drilling				
Land	34,135	49,348	72,571	103,798
Offshore	12,676	8,625	25,181	17,109
Rental tools	6,288	7,877	13,555	16,548
Other	24	531	245	998
Net revenues	$ 81,994	$121,652	$168,840	$249,366
Operating income (loss):				
Domestic drilling				
Land	(265)	2,285	25	5,197
Offshore	(4,723)	9,207	(14,751)	17,168
International drilling				
Land	4,743	6,571	10,086	19,648
Offshore	2,938	2,635	6,425	5,456

Rental tools	1,277	2,818	3,841	6,072
Other	(397)	30	(700)	(747)
Total operating income by segment <1>	3,573	23,546	4,926	52,794
Provision for reduction in carrying value of certain assets	(3,750)	-	(5,250)	-
Restructuring charges	(800)	-	(3,000)	-
General and administrative	(3,791)	(4,694)	(8,195)	(9,361)
Total operating income (loss)	(4,768)	18,852	(11,519)	43,433
Interest expense	(13,383)	(12,368)	(26,647)	(25,276)
Other income (expense)-net	1,378	316	5,889	499
Income (loss) before income taxes	$(16,773)	$ 6,800	$(32,277)	$ 18,656

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

<FN1>
<1> Total operating income (loss) by segment is calculated by excluding General and administrative expense, Restructuring charges and Provision for reduction in carrying value of certain assets from Operating income (loss), as reported in the Consolidated Condensed Statements of Operations.

4. 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 $2.6 million for the six months ended June 30, 1999. 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.

5. In December 1998, the Company determined that its operations in Argentina do not meet its strategic objectives and that such assets would be actively marketed for disposition. The assets to be disposed of 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. Due to depressed industry conditions impairment losses of $4.1 million and $2.1 million were recognized in December 1998 and in the current quarterly period, respectively. The net realizable value of the Argentina assets is included in other non-current assets.

   In calendar 1999, the Company increased its allowance for doubtful accounts by $3.2 million, including $1.7 million in the three months ended June 30, 1999. Certain of the Company's customers have encountered financial difficulties, including the filing of bankruptcy, which has resulted in their reduced ability to pay the Company for previously provided services.

6. During the six months ended June 30, 1999 the Company has restructured its worldwide drilling operations into two primary business units, "Domestic Operations" and "International Operations". In connection with this restructuring, certain duplicative administrative and operating functions have been eliminated, resulting in $3.0 million in severance costs, including $.8 million in the current quarter. It is anticipated that substantially all incurred but unpaid amounts ($1.0 million at June 30, 1999) will be paid in the current calendar year.

7. The Company has received and anticipates receiving additional prepayments from the operator to offset a substantial portion of the expenditures required to modify barge Rig 257 for a contract in the Caspian Sea. These

prepayments, $55.3 million as of June 30, 1999, are being accounted for similar to mobilization fees for a newly constructed drilling rig and, accordingly, have been reflected as a reduction of capital expenditures in the Statements of Cash Flows and as a reduction of property, plant and equipment in the Consolidated Condensed Balance Sheets. Prepayments received as of December 31, 1998 were $20.3 million.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

8. Subsequent Event

On August 12, 1999 the Company signed a definitive agreement to sell its thirteen lower-48 land drilling rigs to Unit Corporation for $40 million cash plus 1.0 million shares of Unit common stock. The definitive agreement contains customary conditions to closing and is subject to Unit's completion of an offering of common shares, for which Unit has filed a shelf registration statement.

Report of Independent Accountants

To the Board of Directors and Shareholders
Parker Drilling Company

We have reviewed the consolidated condensed balance sheets of Parker Drilling Company and subsidiaries as of June 30, 1999 and December 31, 1998, and the related consolidated condensed statement of operations for the three and six month periods ended June 30, 1999 and consolidated condensed statement of cash flows for the six month period ended June 30, 1999. 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.

By: /s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Tulsa, Oklahoma
August 3, 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, restructuring of credit facility, borrowings or repayment of debt, expansion and growth of operations, anticipated cost savings, 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, 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
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The loss recognized for the three and six months ended June 30, 1999 reflects the continued weakness in most of the Company's drilling markets which has resulted in a significant decrease in rig utilization and in dayrates since mid 1998. Lower crude oil prices, throughout 1998 and into early 1999, negatively impacted the revenue and profits of oil operators, who 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. Although crude oil and natural gas prices have increased recently, management is unable to predict when and to what extent spending by operators and rig dayrates and utilization will be positively affected.

Management anticipates that the Company will continue to incur losses until there is a significant increase in the level of oil field activity. Management believes, however, that cash provided by operations and funds available under the Company's revolving credit facility will be adequate to meet working capital needs. Management's projection regarding the sufficiency of cash is contingent upon the continuation of current rig utilization and dayrates, the commencement of operations under two significant barge rig contracts during the third quarter, current projected levels of capital expenditures, and the replacement of the Company's current revolving credit facility with a new facility on terms acceptable to the Company.

RESULTS OF OPERATIONS (continued)
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In order to conserve cash, management has taken steps to reduce certain discretionary capital expenditures and has reorganized its worldwide drilling operations to reduce operating and overhead costs. Management's current estimate of the annual cost savings to be realized as a result of the recent restructuring is $10.5 million. To raise cash in addition to that provided by operating activities, the Company has sold certain of its non-strategic assets and is considering the sale of additional non-strategic assets. On August 12, 1999 the Company signed a definitive agreement to sell its thirteen lower-48 land drilling rigs to Unit Corporation for $40 million cash plus 1.0 million shares of Unit common stock. (See Note 8 in the Notes to Unaudited Consolidated Condensed Financial Statements.) In addition, the Company is pursuing project financing on the newly built Rig 75 destined for Nigeria, which financing would provide an additional $25 million in available funds. Management is unable to predict whether the financing can be completed on terms acceptable to the Company.

Three Months Ended June 30, 1999 compared with Three Months Ended June 30, 1998
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The Company changed its fiscal year end from August 31 to December 31, effective for the year beginning January 1, 1999. The consolidated condensed financial statements included in this Form 10-Q represent the period from January 1, 1999 through June 30, 1999, the first periods reported under the Company's new fiscal year, and the comparable period in the prior year.

The Company recorded a net loss of $13.1 million, or $.17 per share in the three months ended June 30, 1999 compared to net income of $3.4 million or $.04 per share in the same period of the prior year. Continued weakness in demand for the Company's contract drilling services, which began in mid 1998, was the primary reason for the loss in the current quarterly period. Revenues and profit margins (revenue less direct operating expense) decreased significantly in the Company's domestic drilling segment and to a lesser degree in its international drilling and rental tool segments, when comparing the three months ended June 30 of 1999 and 1998, respectively. In the current quarter, the Company did record a $3.8 million provision for reduction in the carrying value of certain assets, including $2.1 million related to the Company's Southern Argentina assets held for sale and $1.7 million related to an increase in the Company's provision for doubtful accounts. In addition, the Company's current year restructuring of its worldwide drilling operations resulted in a charge of $.8 million in the current quarter.

Revenue decreased $39.7 million, or 33%, to $82.0 million, from the $121.7 million recorded for the three months ended June 30, 1998. Domestic drilling revenue decreased $26.4 million due to lower utilization and dayrates earned on the Company's land and offshore rigs. Certain markets, including the U. S. Gulf Coast land and shallow water jackup rig markets, experienced a greater decrease in revenue than others, including the Rocky Mountain land region where the Company has experienced greater demand for its rigs.

International drilling revenue decreased $11.2 million in the current quarter due to a $15.2 million decrease in international land drilling revenue offset by a $4.0 million increase in international offshore revenue. Lower utilization was the primary reason revenues decreased in the international land markets of Colombia, Peru, Argentina, Bolivia, Pakistan, New Guinea, New Zealand and Indonesia. The Company did record revenue increases in the independent states of the former Soviet Union due primarily to increased labor contract revenues. International offshore barge drilling revenue increased

due to operations in the current year of barge Rig 76 in Venezuela. This barge has completed operations and is currently being re-located to the U.S. Gulf Coast market. Offshore barge revenues earned in Nigeria were comparable to the prior year quarter as increased revenue due to a dayrate increase on one rig was offset by reduced revenue from one barge rig placed on a standby rate.

The decrease in rental tool revenue of $1.6 million, from $7.9 million to $6.3 million, was due primarily to reduced drilling activity in the Gulf of Mexico, the primary market for the Company's rental tools.

The Company's overall profit margin declined to $23.9 million or 29% of revenue from $41.2 million or 34% of revenue when comparing the second quarter of 1999 and 1998. Domestic land drilling profit margins decreased due primarily to lower utilization in the Gulf Coast region and due to completion of operations on Rig 245 in Alaska in the first quarter of calendar 1999. Domestic offshore margins decreased due to weakness in demand for both the

Company's shallow water jackup and shallow water barge rigs in the current quarter when compared to the prior year.

Depreciation and amortization expense increased $2.7 million to $20.3 million in the current year quarter due to depreciation expense recorded on the Company's 1998 capital expenditures which were at historically high levels. General and administrative expense decreased $.9 million due largely to reduced costs associated with the Company's current year restructuring. As noted previously, the Company recorded $.8 million of restructuring charges and a $3.8 million provision for reduction in the carrying value of certain assets in the current quarter. The provision for reduction in the carrying value of certain assets included a $2.1 million charge related to the Company's Southern Argentina land rig assets held for sale and $1.7 million related to an increase in the Company's provision for doubtful accounts, as certain of the Company's customers have recently filed for bankruptcy.

Interest expense increased $1.0 million due to higher average debt levels outstanding during the current quarter. Other income - net increased $1.6 million due in part to gains recorded in the current quarter on the disposition of property, plant and equipment. Income tax expense consists of foreign tax expense and deferred tax benefit. The deferred tax benefit recorded in the current quarter is due to the net loss incurred during the three months ended June 30, 1999.

Six Months Ended June 30, 1999 compared with Six Months Ended June 30, 1998
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The Company recorded a net loss of $25.9 million and $.34 per share in the six months ended June 30, 1999 compared to net income of $9.4 million and $.12 per share in the same period of the prior year. Weakness in worldwide drilling markets which has resulted in lower revenue and profit margins, restructuring charges of $3.0 million and a $5.3 million provision for the reduction in carrying value of certain assets contributed to the net loss in the current year.

Revenues and profit margins decreased $80.5 million and $43.6 million, respectively, when comparing the six months ended June 30, 1999 and 1998. Domestic revenues decreased $53.6 million to $57.3 million when comparing the six month periods due to decreased utilization and dayrates in each of the drilling markets in which the Company participates. Certain markets, including the U. S. Gulf Coast land region, have been negatively impacted during the drilling downturn to a greater extent than others, including the

Rocky Mountain land market. Domestic offshore operations, including barge, jackup and platform rigs, have all experienced lower utilization and dayrates, resulting in lower revenues earned in the current fiscal year when compared to 1998. Rental tool revenue of $13.6 million in the current year reflects a decrease of $3.0 million, or 18%, reflective of decreased drilling in the Gulf of Mexico.

International drilling revenue decreased $23.2 million due primarily to decreased utilization in the Company's Latin American and Asia Pacific markets. Revenues increased in the independent states of the former Soviet Union due to increased labor contract revenue and rig utilization. International offshore revenue increased in the current year period due to the operations of the Company's Rig 76 in Venezuela in the current year. This rig is currently being re-located to the domestic offshore market.

Profit margins have decreased in the domestic and international drilling segments in which the Company operates and also in the rental tool segment. Profit margins as a percent of revenue have remained relatively constant in the international drilling and rental tool segments as dayrates and rental rates have not been negatively impacted to the same degree as domestic dayrates. In particular, dayrates and margins earned by the Company's jackup rigs operating in the Gulf of Mexico have declined materially, when compared to the 1998 period.

Depreciation and amortization expense increased $4.3 million to $40.3

million in the 1999 period due to depreciation expense recorded on the Company's 1998 capital expenditures, offset to some degree by a reduction of approximately $1.3 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. General and administrative expense decreased $1.2 million due in part to the Company's current year restructuring of its worldwide drilling operations, which has resulted in the current year restructuring charge of $3.0 million.

The Company has recorded $5.3 million in charges for the provision for reduction in the carrying value of certain assets in the current year. The Company has reduced its estimate of proceeds to be received on the sale of the Company's Southern Argentina land rig assets which resulted in a $2.1 million charge in the current year. An increase in the Company's provision for doubtful accounts resulted in the additional $3.2 million charge as certain of the Company's customers have filed for bankruptcy protection due in part to the depressed oil and gas prices experienced during the industry downturn.

Interest expense increased $1.4 million due to the Company's higher average debt levels in the current year. Interest capitalized to construction projects during the current year of $3.0 million exceeded the $1.7 million for the six months ended June 30, 1998 by $1.3 million. Other income - net increased $6.1 million due primarily to an increase in the amount of gains recorded in 1999 on the disposition of property, plant and equipment and from a $2.1 million payment received from Superior Energy Services, Inc. ("Superior") as part of the agreement to terminate the Agreement and Plan of Merger with Superior.

Income tax expense consists of foreign tax expense and deferred tax benefit. Lower international drilling revenues and operating income has resulted in a decrease in foreign tax expense when comparing the two periods. The deferred tax benefit is due to the net loss incurred during the six months ended June 30, 1999.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash, cash equivalents and other short-term investments of $19.3 million at June 30, 1999, a decrease of $5.0 million from the December 31, 1998 balance. The primary sources of cash during the six month period were $9.8 million provided by operating activities, as reflected on the Consolidated Statements of Cash Flows, prepayments from the operator to offset a portion of the expenditures to modify Rig 257 for service in the Caspian Sea and $12.0 million from the disposition of equipment. The Company has sold two of its rigs in the current year, one domestic land rig and one offshore platform rig. A decrease in accounts receivable due to collections was the primary source of cash provided by operating activities.

Net capital expenditures of $35.9 million were the Company's primary use of cash during the six months ended June 30, 1999. Major capital projects on-going during the period included the modification of barge Rig 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. Payments received from the operator to offset a portion of the expenditures to modify Rig 257 are reflected as a reduction in capital expenditures in the Consolidated Statements of Cash Flows. It is anticipated that drilling operations under both contracts will begin in the near future. Both rigs have arrived at their respective drilling locations and are in the final stages of rigging up to begin drilling operations. Other major expenditures included the modification of two barge rigs for a contract with Texaco in the transition zones of the Gulf Coast and the completion of a new support facility in New Iberia, Louisiana.

To finance the Company's 1996 and 1997 acquisitions and the significant capital expenditures made in fiscal year 1998 and during the four months ended December 31, 1998, the Company has issued various debt instruments. The Company has total long-term debt, including the current portion, of $670.0 million at June 30, 1999. 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 June 30, 1999, $40.0 million was outstanding under the revolving credit facility and $6.4 million in letters of credit had been issued. Due to a decline in the amount of eligible accounts receivable, the borrowing base as of June 30, 1999 was reduced to $59.7 million, leaving $13.3 million available for borrowing. It is possible that the borrowing base could fall further, depending upon future business activity and resulting accounts receivable balances. The revolving credit facility terminates on December 31, 2000.

Both the Company's long-term debt indenture 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. Effective October 1, 1999 the covenant related to the Company's debt to total capital ratio will be reduced from 70% to 65%. Although the Company is currently in compliance, based on management's current financial projections, the Company will not be in compliance with the covenant at October 1, 1999. The Company is negotiating a new revolving credit agreement at the present time with different banks which, if obtained, will have different covenants than those noted and give the Company additional financing flexibility.

LIQUIDITY AND CAPITAL RESOURCES (continued)

The Company anticipates cash requirements for capital spending will be substantially less in calendar year 1999 ($40.0 million projected, net of anticipated receipts to offset capital expenditures) than in fiscal year 1998 ($180.0 million, net of receipts to offset capital expenditures). The Company's two most significant construction projects, the modification of barge Rig 257 for service in the Caspian Sea and the construction of barge Rig 75 for service in Nigeria, are at their respective drilling locations and are in the final stages of rigging up to begin drilling operations.

Until operators respond to the increase in crude oil prices and increase spending, 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. Management's projection regarding the sufficiency of cash is contingent upon the continuation of current rig utilization and dayrates, the commencement of operations under two significant barge rig contracts during the third quarter, current projected levels of capital expenditures and the replacement of the Company's current revolving credit facility with a new facility on terms acceptable to the Company. In order to conserve cash, management has taken steps to reduce certain discretionary capital expenditures and has reorganized its worldwide drilling operations to reduce operating and overhead costs. To raise cash in addition to that provided by operating activities, the Company has disposed of certain non-strategic assets and is considering the sale of additional non-strategic assets, the most significant of which would be the sale of its "lower 48" land rig assets. In addition, the Company is pursuing project financing on the newly built Rig 75 destined for Nigeria, which financing would provide an additional $25 million in available funds. Management is unable to predict whether the financing can be completed on terms acceptable to the Company. Although crude oil and natural gas prices have increased recently, management is unable to predict when and to what extent spending by operators and rig dayrates and utilization will be affected.

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, and the drilling of wells in support thereof, 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 commercial off the shelf 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, assessment and testing of its core information technology systems. The inventory, assessment and testing 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 inventory and assessment of drilling rig components containing imbedded chips indicates that most do not have date related logic. Testing is being conducted on components with date sensitive chips to determine if a date related problem could occur. To date, testing of specific drilling rig equipment has not revealed any date related problems. 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 September 30, 1999. The remainder of 1999 will be devoted to monitoring compliance and contingency planning.

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.

The Company believes that its most likely worst-case scenario would be a disruption of the supply chain. It is impossible for the Company to predict the likelihood of such an occurrence or the extent of the impact on our operations. As part of the contingency planning process to help mitigate these risks the Company is looking at alternative suppliers. Contingency plans will be customized as required for international locations to cover personnel safety, rigs, division offices, crew rotations and rig supplies.

PART II. OTHER INFORMATION

<TABLE>
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Item 6. Exhibits and Reports on Form 8-K		
		Page
(a)	Exhibits:	
	Exhibit 15 Letter re Unaudited Interim Financial Information	18
	Exhibit 27 Financial Data Schedule [Edgar Version Only]	

(b) Reports on Form 8-K - There were no reports on Form 8-K filed during the three months ended June 30,1999.

</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: August 13, 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

August 13, 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 August 13, 1999, on our review of the interim financial information of Parker Drilling Company for the period ended June 30, 1999 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, 33-57345 and 333-84069).

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 JUNE 30, 1999 AND THE CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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