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

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) May 5, 2010

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

73-0618660
(I.R.S. Employer Identification No.)

5 Greenway Plaza, Suite 100, Houston, Texas 77046
(Address of principal executive offices) (Zip code)

(281) 406-2000
(Registrant's telephone number, including area code)

Not Applicable
(Former Address if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14A-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On May 5, 2010, Parker Drilling Company (the “Registrant”) issued a press release announcing results of operations for the first quarter of 2010.

A copy of this press release is attached as Exhibit 99 to this Report on Form 8-K. This information is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibit is furnished herewith:

99 Press release dated May 5, 2010, issued by the Company

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 hereunto duly authorized.

Parker Drilling Company

Date: May 5, 2010

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield

Senior Vice President and Chief Financial Officer

Parker Drilling Reports First Quarter Results

HOUSTON, May 5 /PRNewswire-FirstCall/ — Parker Drilling (NYSE: PKD), a global drilling contractor and service provider, today reported results for the three-month period ended March 31, 2010. The Company's results for the quarter included a net loss of \$2.1 million or \$0.02 per diluted share on revenues of \$157.6 million, compared with net income of \$2.1 million or \$0.02 per diluted share on revenues of \$173.9 million for the 2009 first quarter. Excluding the effects of non-routine items the Company reported net income of \$2.6 million or \$0.02 per diluted share compared with similarly adjusted 2009 first quarter net income of \$5.6 million or \$0.05 per diluted share. Adjusted EBITDA excluding non-routine items was \$37.9 million compared with \$45.0 million for the prior year's first quarter.

Compared with the fourth quarter of 2009, the Company's net income, adjusted for non-routine items, was higher by \$3.1 million or \$0.03 per diluted share and adjusted EBITDA was \$3.4 million higher. Revenues declined 10 percent compared to the preceding quarter.

"Our performance in the first quarter reflects improvements in U.S. drilling markets and continued sluggishness in international drilling contract awards and renewals. In our U.S. businesses we are benefitting from actions taken to enhance our strategic position," said Parker Drilling chief executive officer David Mannon. "Our barge drilling business had a significant upturn in revenues and earnings this past quarter, compared with the prior year's first quarter. In 2009 we decided to 'ready-stack' our Gulf of Mexico barge rigs. This strategy enabled us to capture a large portion of newly-contracted work by providing fast back-to-work response times while keeping costs in line with market conditions. Parker's rental tools business continued to benefit from the strategic positioning of stores in the active shale plays and recent investments in tubular inventory. These enabled the business to leverage the earnings impact of recovering rig activity and reductions in price discounting." Mr. Mannon went on to say, "The effects of the 2009 reduction in worldwide E&P spending continue to contribute to the lower international utilization we have today."

First Quarter Highlights

- Parker's U.S. barge drilling business increased revenues, gross margin and gross margin as a percent of revenues compared with the prior year's first quarter. In addition, Parker operated more barge drilling rigs in the U.S. Gulf of Mexico than any of its competitors.
- The Company's Rental Tools business' gross margin as a percent of revenues increased to 63 percent, compared with 55 percent in the prior year's fourth quarter and 57 percent in the prior year's first quarter. The business benefitted from a growing international and offshore presence, a reduction of discounting in the U.S. land drilling market and lower operating costs.
- Parker issued \$300 million of 9.125% senior notes due in 2018. Net proceeds are being used to retire its 9.625% senior notes maturing in 2013 and pay off borrowings under its revolving credit facility.

"Recent trends in U.S. land drilling, the sustained level of oil prices and an expected increase in worldwide exploration and production spending are encouraging factors in our markets. Though natural gas fundamentals present a risk to sustained growth in demand from U.S. land activity, we believe the shift to more oil-directed drilling may mitigate this," said Mr. Mannon. "Overall, we believe these trends will contribute to renewed growth for Parker. Demand for rental tools continues to improve and price discounting has eased. Our barge drilling activity has picked up and stabilized. In many of our international drilling markets contract tender activity is improving and should provide increased deployment opportunities for our rig fleet during the year. Our project management business continues to grow its opportunity list of longer-term design, construction and operating projects. We are continuing to develop each of our businesses in line with its strategy, and I expect the strategies we have deployed to result in improving operating performance as the year progresses," he concluded.

First Quarter Review

Results for the three months ended March 31, 2010, included the impact of several non-routine items that decreased net income by \$4.6 million or \$0.04 per diluted share. Included in non-routine items is \$3.9 million, pre-tax, of expense related to the ongoing Department of Justice and Securities and Exchange Commission investigations and Parker's internal review regarding possible violations of the Foreign Corrupt Practices Act and other laws. Also included in non-routine items is \$3.2 million, pre-tax, of debt extinguishment costs related to the portion of the Company's 9.625% senior notes which were tendered and exchanged in the quarter. The remaining non-tendered 9.625% senior notes were redeemed in the second quarter. The results for the 2009 first quarter included non-routine, net after-tax expense of \$3.5 million or \$0.03 per diluted share. Details of the non-routine items are provided in the attached financial tables.

Parker's revenues for the 2010 first quarter declined to \$157.6 million or by 9 percent from the 2009 first quarter revenues of \$173.9 million. The Company's 2010 first quarter gross margin, before depreciation and amortization expense, declined to \$44.1 million or by 16 percent from the 2009 first quarter gross margin of \$52.7 million, while gross margin as a percentage of revenues was 28 percent compared with 30 percent for the 2009 first quarter.

- **International Drilling** revenues declined to \$63.9 million from \$77.4 million, and gross margin, before depreciation and amortization expense, declined to \$16.7 million from \$27.6 million. The decrease in revenues was primarily the result of reduced fleet utilization and the impact of having the Caspian Sea barge rig in a shipyard throughout the quarter for scheduled overhaul and upgrade. This was partially offset by an increase in the fleet's average dayrate. Average fleet utilization for the 2010 first quarter was 61 percent, compared with 78 percent for the prior year's first quarter. For the quarter, the ten-rig Americas regional fleet operated at 77 percent average utilization, the eleven-rig CIS/AME regional fleet operated at 64 percent average utilization and the eight-rig Asia Pacific regional fleet operated at 44 percent average utilization. (Additional rig fleet information is available on Parker's Website.)
 - **U.S. Drilling** revenues increased 53 percent, to \$15.1 million from \$9.9 million and gross margin, before depreciation and amortization expense, rose to \$2.1 million from a loss of \$3.3 million. The increase in revenues and gross margin was primarily due to higher barge rig activity and lower operating costs partially offset by a decrease in the fleet's average dayrate. For the quarter the Company had an average of three more rigs operating under contract than for the comparable period of 2009. The fleet's average dayrate was \$21,900 for the 2010 first quarter and \$28,000 for the 2009 first quarter.
 - **Rental Tools** revenues declined to \$33.8 million from \$37.9 million, gross margin, before depreciation and amortization expense, declined to \$21.2 million from \$21.4 million, and gross margin as a percent of revenues rose to 63 percent from 57 percent. As some demand stability has returned to the rental tools marketplace price discounts have eased. In addition, the rental tools business benefitted from lower operating costs and expanded offshore and international placements.
 - **Project Management and Engineering Services** revenues declined to \$24.4 million from \$32.1 million and gross margin, before depreciation and amortization expense, declined to \$4.9 million from \$6.2 million. The prior year included revenues associated with the relocation and upgrade of the Yastreb rig for ExxonNeftegas (ENL) on Sakhalin Island and operational revenues for ENL's Orlan platform which has since moved to a non-operating mode.
 - **Construction Contract** revenues increased to \$20.4 million from \$16.7 million and the recorded gross margin, before depreciation and amortization expense, was a \$0.8 million loss, compared to a \$0.8 million gain in the prior year's comparable period. The 2010 first quarter reflects an adjustment of the fixed fee for the cost-reimbursable Liberty project, due to the expanded costs which have impacted the percentage-of-completion allocation.
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Cash Flow and Capitalization

Capital expenditures for the 2010 first quarter were \$57.9 million, including \$41.2 million for the construction of Parker's two newbuild arctic rigs for Alaska and \$9.3 million for tubular goods and other rental equipment.

During the first quarter Parker issued \$300 million of senior debt at an effective rate of 9.125% due in 2018. The proceeds are being used to refinance the Company's outstanding \$225 million of 9.625% senior notes and to repay borrowings under its revolving credit facility. Included in the current portion of long-term debt at March 31, 2010 was \$130.0 million of 9.625% senior notes which were called in March and retired in April.

Conference Call

Parker Drilling has scheduled a conference call for 10:00 a.m. CDT (11:00 a.m. EDT) on Wednesday, May 5, 2010, to discuss its reported results. Those interested in listening to the call by telephone may do so by dialing 480-629-9867. The call can also be accessed through the Investor Relations section of the Company's Website at <http://www.ParkerDrilling.com>. A replay of the call will be available by telephone from May 5 to May 12 by dialing 330-590-3030 and using the access code 4285952#, and for 12 months on the Company's Website.

Cautionary Statement

This release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of the Securities Acts. All statements 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 earnings per share guidance, the outlook for rig utilization and dayrates, general industry conditions including demand for drilling and customer spending and the factors affecting demand, competitive advantages including cost effective integrated solutions and technological innovation, future technological innovation, future operating results of the Company's rigs, rental tools operations and projects under management, capital expenditures, expansion and growth opportunities, asset sales, successful negotiation and execution of contracts, strengthening of financial position, increase in market share and other such matters are forward-looking statements. Although the Company believes that its expectations stated in this release are based on reasonable assumptions actual results may differ materially from those expressed or implied in the forward-looking statements due to certain risk factors, including the volatility in oil and natural gas prices, which could reduce the demand for drilling services. For a detailed discussion of risk factors that could cause actual results to differ materially from the Company's expectations, please refer to the Company's reports filed with the SEC, including the report on Form 10-K for the year ended December 31, 2009. Each forward-looking statement speaks only as of the date of this release and the Company undertakes no obligation to publicly update or revise any forward-looking statement.

Company Description

Parker Drilling (NYSE: PKD) provides high-performance contract drilling solutions, rental tools and project management services to the worldwide energy industry. Parker owns and operates 28 land rigs and two offshore barge rigs in strategic international markets and 13 barge rigs in the U.S. Gulf of Mexico. The Company's rental tools business supplies premium equipment to operators on land and offshore in the U.S. and select international markets. Founded in 1934, Parker has set numerous world records for deep and extended-reach drilling and is an industry leader in safety performance. More information about Parker Drilling can be found at <http://www.parkerdrilling.com>.

PARKER DRILLING COMPANY

Consolidated Condensed Balance Sheets

| | <u>March 31, 2010</u> (Unaudited) | <u>December 31, 2009</u> |
|---------------------------------------------------|--------------------------------------|----------------------------|
| | (Dollars in Thousands) | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 202,028 | \$ 108,803 |
| Accounts and Notes Receivable, Net | 169,937 | 188,687 |
| Rig Materials and Supplies | 28,373 | 31,633 |
| Deferred Costs | 2,198 | 4,531 |
| Deferred Income Taxes | 8,013 | 9,650 |
| Other Current Assets | <u>110,342</u> | <u>100,225</u> |
| TOTAL CURRENT ASSETS | <u>520,891</u> | <u>443,529</u> |
| PROPERTY, PLANT AND EQUIPMENT, NET | 752,955 | 716,798 |
| OTHER ASSETS | | |
| Deferred Income Taxes | 54,255 | 55,749 |
| Other Assets | <u>34,541</u> | <u>27,010</u> |
| TOTAL OTHER ASSETS | <u>88,796</u> | <u>82,759</u> |
| TOTAL ASSETS | <u>\$ 1,362,642</u> | <u>\$ 1,243,086</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Current Portion of Long-Term Debt | \$ 141,985 | \$ 12,000 |
| Accounts Payable and Accrued Liabilities | <u>149,459</u> | <u>177,036</u> |
| TOTAL CURRENT LIABILITIES | <u>291,444</u> | <u>189,036</u> |
| LONG-TERM DEBT | 440,727 | 411,831 |
| MINORITY INTEREST | (175) | — |
| LONG-TERM DEFERRED TAX LIABILITY | 7,381 | 16,074 |
| OTHER LONG-TERM LIABILITIES | 28,264 | 30,246 |
| STOCKHOLDERS' EQUITY | 595,001 | 595,899 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 1,362,642</u> | <u>\$ 1,243,086</u> |
| Current Ratio | 1.79 | 2.35 |
| Total Debt as a Percent of Capitalization | 49% | 42% |
| Book Value Per Common Share | \$ 5.10 | \$ 5.13 |

PARKER DRILLING COMPANY

Consolidated Condensed Statements of Operations

(Unaudited)

| | Three Months Ended March 31, | |
|---------------------------------------------------------------------|------------------------------|-----------------|
| | 2010 | 2009 |
| | (Dollars in Thousands) | |
| REVENUES: | | |
| International Drilling | \$ 63,875 | \$ 77,381 |
| U.S. Drilling | 15,087 | 9,856 |
| Rental Tools | 33,815 | 37,889 |
| Project Management and Engineering Services | 24,441 | 32,054 |
| Construction Contract | 20,387 | 16,745 |
| TOTAL REVENUES | 157,605 | 173,925 |
| OPERATING EXPENSES: | | |
| International Drilling | 47,173 | 49,777 |
| U.S. Drilling | 12,974 | 13,136 |
| Rental Tools | 12,626 | 16,454 |
| Project Management and Engineering Services | 19,561 | 25,894 |
| Construction Contract | 21,197 | 15,914 |
| Depreciation and Amortization | 28,588 | 27,124 |
| TOTAL OPERATING EXPENSES | 142,119 | 148,299 |
| TOTAL OPERATING GROSS MARGIN | 15,486 | 25,626 |
| General and Administrative Expense | (10,032) | (13,060) |
| Gain on Disposition of Assets, Net | 672 | 78 |
| TOTAL OPERATING INCOME | 6,126 | 12,644 |
| OTHER INCOME AND (EXPENSE): | | |
| Interest Expense | (6,732) | (8,066) |
| Interest Income | 74 | 286 |
| Loss on extinguishment of debt | (3,220) | — |
| Minority interest | 175 | — |
| Other Income (Expense) | (33) | (12) |
| TOTAL OTHER INCOME AND (EXPENSE) | (9,736) | (7,792) |
| INCOME (LOSS) BEFORE INCOME TAXES | (3,610) | 4,852 |
| INCOME TAX EXPENSE (BENEFIT) | | |
| Current | 3,648 | 6,738 |
| Deferred | (5,207) | (3,992) |
| TOTAL INCOME TAX EXPENSE (BENEFIT) | (1,559) | 2,746 |
| NET INCOME | \$ (2,051) | \$ 2,106 |
| EARNINGS PER SHARE — BASIC | | |
| Net Income | \$ (0.02) | \$ 0.02 |
| EARNINGS PER SHARE — DILUTED | | |
| Net Income | \$ (0.02) | \$ 0.02 |
| NUMBER OF COMMON SHARES USED IN COMPUTING EARNINGS PER SHARE | | |
| Basic | 113,512,426 | 112,260,517 |
| Diluted | 115,029,996 | 113,366,444 |

PARKER DRILLING COMPANY

Selected Financial Data

(Unaudited)

| | Three Months Ended | | |
|-------------------------------------------------------------|------------------------|------------------|-----------------|
| | March 31, | | December 31, |
| | 2010 | 2009 | 2009 |
| | (Dollars in Thousands) | | |
| REVENUES: | | | |
| International Drilling | \$ 63,875 | \$ 77,381 | \$ 72,712 |
| U.S. Drilling | 15,087 | 9,856 | 14,533 |
| Rental Tools | 33,815 | 37,889 | 25,109 |
| Project Management and Engineering Services | 24,441 | 32,054 | 27,631 |
| Construction Contract | 20,387 | 16,745 | 35,800 |
| Total Revenues | 157,605 | 173,925 | 175,785 |
| OPERATING EXPENSES: | | | |
| International Drilling | 47,173 | 49,777 | 50,858 |
| U.S. Drilling | 12,974 | 13,136 | 13,233 |
| Rental Tools | 12,626 | 16,454 | 11,302 |
| Project Management and Engineering Services | 19,561 | 25,894 | 22,202 |
| Construction Contract | 21,197 | 15,914 | 35,194 |
| Total Operating Expenses | 113,531 | 121,175 | 132,789 |
| OPERATING GROSS MARGIN: | | | |
| International Drilling | 16,702 | 27,604 | 21,854 |
| U.S. Drilling | 2,113 | (3,280) | 1,300 |
| Rental Tools | 21,189 | 21,435 | 13,807 |
| Project Management and Engineering Services | 4,880 | 6,160 | 5,429 |
| Construction Contract | (810) | 831 | 606 |
| Depreciation and Amortization | (28,588) | (27,124) | (28,593) |
| Total Operating Gross Margin | 15,486 | 25,626 | 14,403 |
| General and Administrative Expense | (10,032) | (13,060) | (11,485) |
| Provision for Reduction in Carrying Value of Certain Assets | — | — | (1,889) |
| Gain on Disposition of Assets, Net | 672 | 78 | 3,899 |
| TOTAL OPERATING INCOME | \$ 6,126 | \$ 12,644 | \$ 4,928 |

Marketable Rig Count Summary

As of March 31, 2010

| | <u>Total</u> |
|------------------------------------------------|------------------|
| U.S. Gulf of Mexico Barge Rigs | |
| Intermediate | 3 |
| Deep | <u>10</u> |
| Total U.S. Gulf of Mexico Barge Rigs | 13 |
| International Land and Barge Rigs | |
| Asia Pacific | 8 |
| Americas | 10 |
| CIS/AME | 11 |
| Other | <u>1</u> |
| Total International Land and Barge Rigs | 30 |
| Total Marketable Rigs | <u><u>43</u></u> |

PARKER DRILLING COMPANY

Adjusted EBITDA

(Dollars in Thousands)

| | Three Months Ended | | | | | | | | | |
|-------------------------------------------------------------|--------------------|-------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|--|
| | March 31, 2010 | December 31, 2009 | September 30, 2009 | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 | March 31, 2008 | |
| Previously Reported | | | | | | | | | | |
| Net Income (Loss) | \$ (2,051) | \$ (4,324) | \$ 7,094 | \$ 4,391 | \$ 2,106 | \$ (39,477) | \$ 18,551 | \$ 22,596 | \$ 23,888 | |
| Restated Interest Expense, Net of Tax — Per APB 14-1 | — | — | — | — | — | (724) | (721) | (699) | (686) | |
| Restated Net Income (Loss) | (2,051) | (4,324) | 7,094 | 4,391 | 2,106 | (40,201) | 17,830 | 21,897 | 23,202 | |
| Adjustments: | | | | | | | | | | |
| Income Tax (Benefit) Expense | (1,559) | 1,890 | (9,155) | 5,079 | 2,746 | (31,178) | 19,673 | 13,762 | 4,685 | |
| Total Other Income and Expense | 9,736 | 7,362 | 6,943 | 7,398 | 7,792 | 9,121 | 6,344 | 6,531 | 7,514 | |
| Loss/(Gain) on Disposition of Assets, Net | (672) | (3,899) | (1,225) | (704) | (78) | (683) | (799) | (636) | (579) | |
| Impairment of Goodwill | — | — | — | — | — | 100,315 | | | | |
| Depreciation and Amortization | 28,588 | 28,593 | 29,307 | 28,951 | 27,124 | 31,961 | 30,663 | 28,166 | 26,166 | |
| Provision for Reduction in Carrying Value of Certain Assets | — | 1,889 | 2,757 | — | — | — | — | — | — | |
| Adjusted EBITDA | \$ 34,042 | \$ 31,511 | \$ 35,721 | \$ 45,115 | \$ 39,690 | \$ 69,335 | \$ 73,711 | \$ 69,720 | \$ 60,988 | |
| Adjustments: | | | | | | | | | | |
| Non-routine Items | 3,888 | 2,998 | 2,402 | 4,048 | 5,308 | 6,279 | 2,264 | 2,885 | 441 | |
| Adjusted EBITDA after Non-routine Items | \$ 37,930 | \$ 34,509 | \$ 38,123 | \$ 49,163 | \$ 44,998 | \$ 75,614 | \$ 75,975 | \$ 72,605 | \$ 61,429 | |

PARKER DRILLING COMPANY

Reconciliation of Non-Routine Items *

(Unaudited)

(Dollars in Thousands, except Per Share)

| | Three Months Ending March 31, 2010 |
|------------------------------------------------|---------------------------------------------------|
| Net income | \$ (2,051) |
| Earnings per diluted share | \$ (0.02) |
| Adjustments: | |
| Extinguishment of debt | \$ 3,220 |
| U.S. regulatory investigations / legal matters | 3,888 |
| Total adjustments | 7,108 |
| Tax effect of pre-tax non-routine adjustments | (2,488) |
| Net non-routine adjustments | 4,620 |
| Adjusted net income | \$ 2,569 |
| Adjusted earnings per diluted share | \$ 0.02 |
| | Three Months Ending March 31, 2009 |
| Net income | \$ 2,106 |
| Earnings per share | \$ 0.02 |
| Adjustments: | |
| DOJ investigation | \$ 5,308 |
| Tax effect of non-routine adjustments | (1,858) |
| Net non-routine adjustments | \$ 3,450 |
| Adjusted net income | \$ 5,556 |
| Adjusted earnings per diluted share | \$ 0.05 |

* Adjusted net income, a non-GAAP financial measure, excludes items that management believes are of a non-routine nature and which detract from an understanding of normal operating performance and comparisons with other periods. Management also believes that results excluding these items are more comparable to estimates provided by securities analysts and used by them in evaluating the Company's performance.

CONTACT: Media, Rose Maltby, +1-281-406-2212, or Investors, Richard Bajenski, +1-281-406-2030, both of Parker Drilling