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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, 2001

OR

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

For the transition period from ------------ to ---------------

Commission file number 1-7573

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

<Table>
<S> <C>

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
</Table>

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

As of July 31, 2001, 92,114,839 common shares were outstanding.

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PARKER DRILLING COMPANY

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

<TABLE>
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ASSETS	June 30, 2001	December 31, 2000
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 45,391	$ 62,480
Other short-term investments	864	811
Accounts and notes receivable	122,870	123,474
Rig materials and supplies	19,692	16,500
Other current assets	6,004	4,600
Total current assets	194,821	207,865
Property, plant and equipment less accumulated depreciation and amortization of $487,657 at June 30, 2001 and $448,734 at December 31, 2000	678,955	663,525
Goodwill, net of accumulated amortization of $31,527 at June 30, 2001 and $27,786 at December 31, 2000	192,868	196,609
Other noncurrent assets	38,327	39,420
Total assets	$ 1,104,971	$ 1,107,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 5,045	$ 5,043
Accounts payable and accrued liabilities	68,687	77,201
Accrued income taxes	6,493	9,422
Total current liabilities	80,225	91,666
Long-term debt	589,944	592,584
Deferred income tax	23,512	18,467
Other long-term liabilities	6,071	5,539

Stockholders' equity:		
Common stock, $.16 2/3 par value	15,347	15,287
Capital in excess of par value	432,811	431,043
Accumulated comprehensive income -net unrealized gain on investments available for sale (net of taxes of $197 at June 30, 2001 and $190 at December 31, 2000)	351	339
Retained earnings (accumulated deficit)	(43,290)	(47,506)
Total stockholders equity	$ 405,219	$ 399,163
Total liabilities and stockholders equity	$ 1,104,971	$ 1,107,419

</TABLE>

See accompanying notes to consolidated condensed financial statements.

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

<TABLE>
<CAPTION>

<S>	Three Months Ended June 30, 2001 <C>	Three Months Ended June 30, 2000 <C>	Six Months Ended June 30, 2001 <C>	Six Months Ended June 30, 2000 <C>
Revenues:				
U.S. drilling	$ 55,487	$ 34,851	$ 105,243	$ 62,305
International drilling	59,261	42,580	110,682	81,248
Rental tools	18,167	9,527	31,864	17,356
Total revenues	132,915	86,958	247,789	160,909
Operating expenses:				
U.S. drilling	28,808	23,893	56,427	46,737
International drilling	40,485	32,103	77,643	62,537
Rental tools	6,077	3,548	10,820	7,130
Other	(5)	1	(9)	(2)
Depreciation and amortization	24,217	21,004	47,095	42,029
General and administrative	5,009	4,444	9,880	9,447
Reorganization	5,194	--	5,194	--
Total operating expenses	109,785	84,993	207,050	167,878
Operating income (loss)	23,130	1,965	40,739	(6,969)
Other income and (expense):				
Interest expense	(13,768)	(14,523)	(27,290)	(29,035)
Interest income	710	691	1,644	1,638
Gain on disposition of assets	375	974	1,450	1,948
Other income (loss) - net	(704)	31	(318)	1,876
Total other income and (expense)	(13,387)	(12,827)	(24,514)	(23,573)
Income (loss) before income taxes	9,743	(10,862)	16,225	(30,542)
Income tax expense (benefit):				
Current tax expense-foreign	4,301	2,420	7,009	5,016
Deferred tax (benefit)	2,750	(3,800)	5,000	(11,200)
	7,051	(1,380)	12,009	(6,184)
Net income (loss)	$ 2,692	$ (9,482)	$ 4,216	$ (24,358)

Earnings (loss) per share,

Basic	$	.03	$	(.12)	$	.05	$	(.31)
Diluted	$	.03	$	(.12)	$	.05	$	(.31)
Number of common shares used in computing earnings per share:								
Basic		91,972,728		77,569,904		91,873,315		77,518,230
Diluted		93,200,815		77,569,904		92,993,265		77,518,230

</TABLE>

See accompanying notes to consolidated condensed financial statements.

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

<TABLE>
<CAPTION>

	Six Months Ended June 30, 2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ 4,216	$(24,358)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	47,095	42,029
Gain on disposition of assets	(1,450)	(1,948)
Expenses not requiring cash	2,664	2,595
Deferred income taxes	5,000	(11,200)
Change in operating assets and liabilities	(15,355)	(7,000)
Net cash provided by operating activities	42,170	118
Cash flows from investing activities:		
Capital expenditures (net of reimbursements of $13.0 million in 2000)	(61,062)	(25,634)
Proceeds from the sale of equipment	3,728	5,214
Purchase of short-term investments	(53)	(126)
Proceeds from sale of investments	--	2,051
Net cash used in investing activities	(57,387)	(18,495)
Cash flows from financing activities:		
Principal payments under debt obligations	(2,427)	(2,248)
Other	555	--
Net cash (used in) financing activities	(1,872)	(2,248)
Net change in cash and cash equivalents	(17,089)	(20,625)
Cash and cash equivalents at beginning of period	62,480	45,501
Cash and cash equivalents at end of period	$ 45,391	$ 24,876
Supplemental cash flow information:		
Interest paid	$ 27,529	$ 28,034
Income taxes paid	$ 9,938	$ 8,717

Supplemental noncash investing activity:		
Net unrealized gain on investments available for sale (net of taxes $7 in 2001 and $1,770 in 2000)	$ 12	$ 3,147

</TABLE>

See accompanying notes to consolidated condensed financial statements.

PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. General - 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, 2001 and December 31, 2000, (2) the results of operations for the three and six months ended June 30, 2001 and 2000, and (3) cash flows for the six months ended June 30, 2001 and 2000. Results for the six months ended June 30, 2001 are not necessarily indicative of the results which will be realized for the year ending December 31, 2001. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended December 31, 2000.

   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 report within the meaning of Section 7 and 11 of that Act, and the independent accountants liability under Section 11 does not extend to it.

2. Earnings per share -

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

<TABLE>
<CAPTION>

	For the Three Months Ended June 30, 2001		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income available to common stockholders	$2,692,000	91,972,728	$.03
Effect of Dilutive Securities:			
Stock options and grants		1,228,087	
Diluted EPS:			
Income available to common stockholders plus assumed conversions	$2,692,000	93,200,815	$.03

</TABLE>

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

<TABLE>
<CAPTION>

	For the Six Months Ended June 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income available to common stockholders	$4,216,000	91,873,315	$ .05
Effect of Dilutive Securities:			
Stock options and grants		1,119,950	
Diluted EPS:			
Income available to common stockholders plus assumed conversions	$4,216,000	92,993,265	$ .05

</TABLE>

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

<TABLE>
<CAPTION>

	For the Three Months Ended June 30, 2000		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income (loss) available to common stockholders	$(9,482,000)	77,569,904	$ (.12)
Effect of Dilutive Securities:			
Stock options and grants		--	
Income (loss) available to common stockholders plus assumed conversions	$(9,482,000)	77,569,904	$ (.12)

</TABLE>

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	For the Three Months Ended June 30, 2000		
	Income (loss) (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Income (loss) available to common stockholders	$(24,358,000)	77,518,230	$ (.31)

Effect of Dilutive Securities:			
Stock options and grants		--	
Income (loss) available to common stockholders plus assumed conversions	$(24,358,000)	77,518,230	$ (.31)
	============	============	=======

</TABLE>

The Company has outstanding $124,509,000 of Convertible Subordinated Notes which are convertible into 8,090,254 shares of common stock at $15.39 per share. The notes have been outstanding since their issuance in July 1997, 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. For the three and six months ended June 30, 2001, options to purchase 4,634,000 shares of common stock at prices ranging from $8.8750 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 during the respective periods. For the three and six months ended June 30, 2000, options to purchase 7,269,250 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 during the respective periods.

3. Business Segments - The primary services the Company provides are as follows: U.S. drilling, international drilling and rental tools. Information regarding the Company's operations by industry segment for the three and six months ended June 30, 2001 and 2000 is as follows (dollars in thousands):

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
<S>	<C>	<C>	<C>	<C>
Revenues:				
U.S. drilling	$ 55,487	$ 34,851	$ 105,243	$ 62,305
International drilling	59,261	42,580	110,682	81,248
Rental tools	18,167	9,527	31,864	17,356
Net revenues	132,915	86,958	247,789	160,909
Operating income (loss):				
U.S. drilling	15,727	624	26,857	(5,009)
International drilling	9,040	2,699	14,791	2,973
Rental tools	9,113	3,650	15,254	5,576
Other - net	(547)	(564)	(1,089)	(1,062)
Total operating income by segment (1)	33,333	6,409	55,813	2,478
General and Administrative	(5,009)	(4,444)	(9,880)	(9,447)
Reorganization	(5,194)	--	(5,194)	--
Total operating income (loss)	23,130	1,965	40,739	(6,969)
Interest expense	(13,768)	(14,523)	(27,290)	(29,035)
Other income-net	381	1,696	2,776	5,462

Income (loss) before income taxes	$ 9,743	$ (10,862)	$ 16,225	$ (30,542)
	=========	=========	=========	=========

</TABLE>

(1) Total operating income (loss) by segment is calculated by excluding General and administrative expense and Reorganization expense from Operating income, as reported in the Consolidated Condensed Statements of Operations.

4. Reorganization - During January 2001, the Company announced the relocation of its corporate office to Houston, Texas, which is expected to be completed during the third quarter of 2001. The relocation will be accompanied by a reorganization of certain senior management positions and of the management of the drilling operations. Management believes that the Company will benefit from being closer to its customers, competitors and vendors and anticipates long-term savings from the consolidation of offices and other administrative cost-cutting steps. In the second quarter of 2001 $5.2 million of the estimated $8.2 million reorganization costs, which includes employee moving expenses and severance costs, have been incurred. The remaining $3.0 million is expected to be incurred in the third quarter 2001.

5. Contingency - Two subsidiaries of Parker Drilling Company ("Subsidiaries") are named defendants in the lawsuit, Verdin v. R & B Falcon Drilling USA, Inc., et. al., Civil Action No. G-00-488, currently pending in the U.S. District Court for the Southern District of Texas, Galveston Division. The plaintiff is a former employee of a drilling contractor engaged in offshore drilling operations in the Gulf of Mexico. The defendants are various drilling contractors, including the Subsidiaries, who conduct drilling operations in the Gulf of Mexico. Plaintiff alleges that the defendants have violated federal and state antitrust laws by agreeing with each other to depress wages and benefits paid to employees working for said defendants.

   Plaintiff is seeking to bring this case as a "class action", i.e., on behalf of himself and a proposed class of other similarly situated employees of the defendants that have allegedly suffered similar damages from the actions of defendants. At the present time, the court has not ruled on the issue of whether the plaintiff has established the requirements for bringing this case as a "class action" on behalf of other similarly situated employees. At least six of the defendants have entered into settlement agreements pursuant to which they have agreed to pay settlement amounts although these settlements are a small fraction of the amount claimed by plaintiff. The subsidiaries and certain of the other defendants are attempting to negotiate a settlement agreement with the plaintiffs. However, no assurances can be given at this time that such negotiations will be successful. The Subsidiaries and certain other defendants have denied the plaintiff's claims. Based on the information obtained to date and consultation with legal counsel, management believes the Subsidiaries have sufficient defenses to prevail in this case if it should go to trial. Although management cannot predict the ultimate result, management believes the outcome of this case will not have a material adverse effect on the results of operations, cash flows or financial position.

6. Subsequent Event - On July 6, 2001, the Ministry of State Revenues of Kazakhstan issued an Act of Audit to the Kazakhstan branch of Parker Drilling Company International Limited, a wholly owned subsidiary of the Company ("PDCIL"), assessing additional taxes in the amount of approximately $29,000,000 for the years 1998-2000. The assessment consists primarily of adjustments in corporate income tax based on a determination

by the Kazakhstan tax authorities that payments by the customer, OKIOC, to PDCIL of $99,050,000, in reimbursement of costs for improvements to Rig 257, to facilitate drilling in the Caspian Sea in connection with the drilling contract between OKIOC and PDCIL (the "257 Contract"), are income to PDCIL and, therefore, taxable. On July 12, 2001, PDCIL filed an Act of Non-Agreement stating its position that such payments should not be taxable and requesting that the Act of Audit be revised accordingly. Management, based on consultation with its tax and legal advisors, believes that PDCIL has sound legal arguments to object to the assessment. Although it is too early to make a reasonable determination as to the probable outcome of this matter, based on current information management does not believe it will have a material adverse effect on the financial condition of the Company.

7. Recent Accounting Pronouncements - In June 2001, the Financial Accounting Standards Board issued FAS No. 141 and 142. FAS No. 141, Business Combinations, requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. FAS No. 142, Goodwill and Other Intangible Assets, changes the accounting for goodwill from an amortization method to an impairment-only approach and will be effective January 2002. The Company is currently considering the possible effects of FAS No. 142 on its intangible asset valuation and accounting. If it is applicable, the Company will be required to discontinue amortizing the intangible assets and periodically assess them for impairment.

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 June 30, 2001 and the related consolidated condensed statements of operations for the three and six month periods ended June 30, 2001 and 2000 and the consolidated condensed statement of cash flows for the six month periods ended June 30, 2001 and 2000. 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 accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 2000, 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 January 31, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed balance sheet as of December 31, 2000, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

By: /s/ PricewaterhouseCoopers LLP
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PricewaterhouseCoopers LLP

Tulsa, Oklahoma
July 26, 2001

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 included in this document, or may be "incorporated by reference," which means the statements are contained in other documents filed by the Company with the Securities and Exchange Commission. 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 are "forward-looking statements," including without limitation:

*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, and
*anticipated cost savings.

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 its 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 and uncertainties include:

*worldwide economic and business conditions that adversely affect market conditions and/or the cost of doing business,
*fluctuations in the market prices of oil and gas,
*imposition of unanticipated trade restrictions and political instability,
*operating hazards and uninsured risks,
*governmental regulations that adversely affect the cost of doing business,
*adverse environmental events
*adverse weather conditions,
*concentration of customer and supplier relationships,
*unexpected cost increases for upgrade and refurbishment projects,
*competition,
*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. These risks and uncertainties should be considered by the reader in connection with the forward-looking statements made from time to time in this document.

INTRODUCTION

The significant increase in oil and gas drilling and oil field tool rental activity continued through the second quarter of 2001. Rig utilization rates and dayrates for the Company's Gulf of Mexico drilling rigs showed continued improvement, and the higher volume of rental tool activity resulted in record rental tool revenues for the second quarter. As a result of these positive trends, the Company recognized net income of $4.2 million for the six months ended June 30, 2001, a significant improvement compared to the six months ended June 30, 2000. Management is unable to predict the duration of present market conditions, but based on continued spending by oil and gas operators, management is encouraged about the Company's prospects for the remainder of 2001.

During January 2001, the Company announced the relocation of its corporate office to Houston, Texas, which is expected to be completed during the third quarter of 2001. The relocation will be accompanied by a reorganization of certain senior management positions and of the management of drilling operations. Management believes that the Company will benefit from being closer to its customers, competitors and vendors and anticipates long-term savings from the consolidation of offices and other administrative cost-cutting steps. In the second quarter of 2001 $5.2 million of the estimated $8.2 million reorganization costs, which includes employee moving expenses and severance costs, have been incurred. The remaining $3.0 million is expected to be incurred in the third quarter 2001.

Three Months Ended June 30, 2001 Compared with Three Months Ended June 30, 2000

The Company recorded net income of $2.7 million for the three months ended June 30, 2001 compared to a net loss of $9.5 million recorded for the three-month period ended June 30, 2000. Net income in the second quarter of 2001 is reflective of the continuing improvement in utilization and dayrates in worldwide drilling operations and continued strong activity in the Company's rental tool operations.

<TABLE>
<CAPTION>

	Three Months Ended			
	June 30, 2001		June 30, 2000	
<S>	<C>	<C>	<C>	<C>
Revenues:				
U.S. drilling	$ 55,487	42%	$ 34,851	40%
International drilling	59,261	45	42,580	49
Rental tools	18,167	13	9,527	11
Total revenues	$132,915	100%	$ 86,958	100%

</TABLE>

The Company's revenues increased $45.9 million to $132.9 million in the current quarter as compared to the second quarter of 2000. U.S. drilling revenues increased $20.6 million due to increased utilization and dayrates in all areas of operation. U.S. offshore drilling revenues increased $21.0 million. Utilization on the workover and deep drilling barges increased from 66% to 80% with a 36% increase in dayrates from the second quarter of 2000. Total barge rig revenues increased $12.3 million in the current quarter. Jackup rig revenues increased $7.5 million a 61% improvement from the second quarter of 2000. Platform rig utilization improved from 48% to 60% and dayrates increased 17% resulting in an additional $1.2 million in revenues for the current quarter as compared to the second quarter of 2000.

International drilling revenues increased $16.7 million to $59.3 million in the current quarter as compared to the second quarter of 2000. International land drilling revenues increased $11.8 million while offshore drilling revenues increased $4.9 million. Primarily responsible for the improvement in international land drilling revenues was increased activity in Kazakhstan resulting in additional revenues of $8.3 million. Since the second quarter of 2000, the Company has added six land rigs in Kazakhstan. Russia contributed increased revenues of $2.2 million. Land drilling revenues increased $1.8 million in the Asia Pacific region primarily attributed to increased utilization in New Guinea and New Zealand. Revenues declined $0.5 million in Latin America. Increased revenues in Colombia were offset by a reduction in Ecuador due to the completion of a contract in 2000 and decreased utilization in Bolivia.

The increase of $4.9 million in international offshore drilling revenues was due primarily to the four barge rigs in Nigeria being on full dayrates most of the second quarter of 2001. During the second quarter of 2000, the four barge rigs in Nigeria were on standby rates due to community unrest. The rigs resumed operations on full dayrates during the second and third quarters of 2000.

Rental tool revenues increased $8.6 million as Quail Tools reported record revenues in the current quarter of $18.2 million. Quail Tools continues to benefit from the strength of exploration and development spending in both the shallow and deep waters of the Gulf of Mexico and the new rental tool facility opened May 2000 in Odessa, Texas to service the West Texas drilling market. The increase in revenues consists of $4.0 million from the New Iberia, Louisiana operations, $3.1 million from the Victoria, Texas operations and $1.5 million from the Odessa, Texas operations.

RESULTS OF OPERATIONS (continued)

<TABLE>
<CAPTION>

	Three Months Ended			
	June 30, 2001		June 30, 2000	
<S>	<C>	<C>	<C>	<C>
Profit margin:				
U.S. drilling	$26,679	48%	$10,958	31%
International drilling	18,776	32	10,477	25
Rental tools	12,090	67	5,979	63
Total profit margin	$57,545		$27,414	

</TABLE>

(Profit margin - revenues less direct operating expenses, in thousands; profit margin percentages - profit margin as a percent of revenues).

Profit margin of $57.5 million in the current quarter reflects an increase of $30.1 million. In the U.S., profit margin increased $15.7 million. U.S. profit margin was positively impacted during the current quarter by increasing utilization and dayrates in the Gulf of Mexico particularly from the workover and deep drilling barges, and from the jackup rigs. Utilization for the 22 U.S. barge rigs averaged 86% for the current quarter compared to 77% for the second quarter of 2000. The average dayrate increased approximately 39% during the current quarter as compared to the second quarter of 2000. Average dayrates for the jackup rigs increased approximately 70% in the current quarter when compared to the second quarter of 2000.

International drilling profit margin increased $8.3 million in the current quarter as compared to the second quarter of 2000. International land drilling profit margin increased $5.4 million to $11.9 million during the current quarter due primarily to increased utilization in the Company's land drilling operations as previously discussed. The international offshore drilling profit margin increased $2.9 million to $6.9 million in the current quarter. This increase is primarily attributed to four barge rigs in Nigeria on standby status at reduced dayrates during most of the second quarter of 2000 due to community unrest, as compared to working at full dayrates during the current quarter.

Rental tool profit margin increased $6.1 million to $12.1 million during the current quarter as compared to the second quarter of 2000. Profit margin percentages were 67% during the current quarter as compared to 63% for the second quarter of 2000 due to significant increase in revenues and utilization.

Depreciation and amortization expense increased $3.2 million to $24.2 million in the current quarter. Depreciation expense increased due to 2000 capital additions, principally two newly built land rigs delivered to Kazakhstan.

Interest expense decreased $0.7 million due primarily to the repurchase on the open market of $50.5 million principal of the 5.5% Convertible Subordinated Notes at an average price of 86.11 percent of face value during the fourth quarter of 2000.

Income tax expense consists of foreign and deferred tax expense. The consolidated effective income tax rate for the three months ended June 30, 2001 was approximately 72% as compared to approximately 13% for the corresponding period in 2000. The increase in the effective tax rate was primarily due to increased foreign tax expense for which the Company will not receive a full U.S. tax credit.

Six Months Ended June 30, 2001 Compared with Six Months Ended June 30, 2000

The Company recorded net income of $4.2 million for the six months ended June 30, 2001 compared to a net loss of $24.4 million recorded for the six-month period ended June 30, 2000. Net income in the current period of 2001 is reflective of the continuing improvement in utilization and dayrates in the U.S. and international drilling operations and improved activity in the Company's rental tool operations.

<TABLE>
<CAPTION>

	Six Months Ended			
	June 30, 2001		June 30, 2000	
<S>	<C>	<C>	<C>	<C>
Revenues:				
U.S. drilling	$105,243	42%	$ 62,305	39%
International drilling	110,682	45	81,248	50
Rental tools	31,864	13	17,356	11
Total revenues	$247,789	100%	160,909	100%

</TABLE>

The Company's revenues increased $86.8 million in the current six-month period as compared to the six months ended June 30, 2000. U.S. drilling revenues increased $42.9 million due to increased offshore utilization and dayrates. U.S. offshore drilling revenues increased $43.7 million. Jackup rig revenues increased $16.7 million in the current six-month period as a result of increased dayrates compared to the six months ended June 30, 2000. Barge rig revenues increased $25.1 million during the current six-month period due to increased dayrates and utilization. At the end of the current six-month period 19 of 22 barge rigs were on contract. Platform rigs revenues increased $1.9 million with 2 of 4 rigs working through most of the current six-month period.

International drilling revenues increased $29.4 million in the current six-month period as compared to the six months ended June 30, 2000. International land drilling revenues increased $23.0 million while offshore drilling revenues increased $6.4 million. Primarily responsible for the increase in international land drilling revenues was increased activity in Kazakhstan which contributed additional revenues of $14.7 million due in large part to the addition of six land rigs subsequent to the end of the prior period. Russia contributed increased revenues of $2.0 million. The Asia Pacific region revenues increased $4.8 million primarily attributed to New Zealand and New Guinea. The increased revenue in New Zealand and New Guinea were partially offset by the completion of a Nigerian contract in the six months ended June 30, 2000. Latin American revenues increased $1.5 million. Increased revenues in Colombia and Bolivia were offset by a reduction in Ecuador due to the completion of a contract in 2000.

The increase of $6.4 million in international offshore drilling revenues was due primarily to the four barge rigs in Nigeria on full dayrates most of the current six-month period. Revenues associated with the Nigerian barge rigs increased $7.4 million during the current six-month period when compared to the six months ended June 30, 2000. During most of the first six months of 2000 the four barge rigs in Nigeria were on standby rates due to community unrest. The rigs resumed operation at full dayrates during the second and third quarters of 2000. Rig 257, drilling in the Caspian Sea, experienced reduced revenues of $1.0 million in the current six-month period due to reduced dayrates during a 30-day period to recover stuck pipe and during time required to move the rig to the next drilling location at reduced dayrates.

Rental tool revenues increased $14.5 million as Quail Tools reported record revenues in the current six-month period of $31.9 million. Quail Tools continues to benefit from strength of exploration and development spending in both the shallow and deep waters of the Gulf of Mexico and the new rental tool facility opened May 2000 in Odessa, Texas to service the West Texas drilling market. The increase in revenues consists of $6.3 million from the New Iberia, Louisiana operations, $5.1 million from the Victoria, Texas operations and $3.1 million from the Odessa, Texas operations.

<TABLE>
<CAPTION>

	Six Months Ended			
	June 30, 2001		June 30, 2000	
<S>	<C>	<C>	<C>	<C>
Profit margin:				
U.S. drilling	$ 48,816	46%	15,568	25%
International drilling	33,039	30	18,711	23
Rental tools	21,044	66	10,226	59
Total profit margin (loss)	$102,899		$ 44,505	

</TABLE>

(Profit margin - revenues less direct operating expenses, in thousands; profit margin percentages - profit margin as a percent of revenues).

Profit margin of $102.8 million in the current six-month period reflect an increase of $58.3 million from the $44.5 million recorded during the six months ended June 30, 2000. The U.S. and international drilling segments recorded profit margin percentages of 46% and 30% in the current period, as compared to 25% and 23% in the six months ended June 30, 2000. In the U.S., profit margin increased $33.2 million. U.S. profit margin was positively impacted during the current quarter by increasing utilization and dayrates in the Gulf of Mexico particularly from the intermediate and deep drilling barges, and from the jackup rigs. Utilization for the 22 U.S. barge rigs averaged 84% for the current six-month period compared to 69% for the six months ended June 30, 2000. The average dayrate increased 37% during the current six-month period as compared to the six months ended June 30, 2000. Average dayrates for the jackup rigs increased approximately 74% and utilization increased from 87% to 90% during the current six-month period when compared to the six months ended June 30, 2000.

International drilling profit margin increased $14.3 million in the current six-month period compared to the six months ended June 30, 2000. International land drilling profit margin rose $8.5 million to $20.3 million during the current six-month period due primarily to increased utilization in Kazakhstan and as previously discussed. The international offshore drilling profit margin increased $5.8 million to $12.7 million in the current six-month period. This increase is primarily attributed to four barge rigs in Nigeria on standby status at reduced dayrates during most of the six months ended June 30, 2000 due to community unrest.

Rental tool profit margin increased $10.8 million to $21.0 million during the current six-month period as compared to the six months ended June 30, 2000. Profit margin was 66% during the current period as compared to 59% for the six months ended June 30, 2000 due to significant increased customer base and revenues.

Depreciation and amortization expense increased $5.1 million to $47.1 million in the current six-month period. Depreciation expense increased due to 2000 capital additions, principally two newly built land rigs delivered to Kazakhstan.

Interest expense decreased $1.7 million due primarily to the repurchase on the open market of $50.5 million principal amount of the 5.5% Convertible Subordinated Notes at an average price of 86.11 percent of face value during the fourth quarter of 2000.

Income tax expense consists of foreign tax expense and deferred tax expense. The consolidated effective income tax rate for the six months ended June 30, 2001 was approximately 74% as compared to approximately 20% for the corresponding period in 2000. The increase in the effective tax rate was primarily due to increased foreign tax expense for which the Company will not receive a full U.S. tax credit.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2001, the Company had cash, cash equivalents and other short-term investments of $46.3 million, a decrease of $17.0 million from December 31, 2000. The primary sources of cash for the six-month period as reflected on the Consolidated Statement of Cash Flows were $42.2 million provided by operating activities and $3.7 million from the disposition of equipment.

The primary uses of cash for the three-month period ended June 30, 2001 were $61.1 million for capital expenditures and $2.4 million for repayment of debt. Major projects during the current six-month period included expenditures on three rigs in the Karachaganak field in Kazakhstan, the completion of new Rig 258 for the Tengiz field in Kazakhstan, and modifications to Rig 22J in the Gulf of Mexico, the latter a result of its scheduled five-year Coast Guard inspection.

The Company has total long-term debt, including the current portion, of $595.0 million at June 30, 2001. The Company entered into a $50.0 million revolving credit facility with a group of banks led by Bank of America on October 22, 1999. This facility is available for working capital requirements, general corporate purposes and to support letters of credit. The revolver is collateralized by accounts receivable, inventory and certain barge rigs located in the Gulf of Mexico. The facility contains customary affirmative and negative covenants. Availability under the revolving credit facility is subject to certain borrowing base limitations based on 80 percent of eligible receivables plus 50 percent of supplies in inventory. Currently, the borrowing base is $50.0 million, of which none has been drawn down, and $13.0 million in letters of credit have been issued. The revolver terminates on October 22, 2003.

The Company anticipates that working capital needs and funds required for capital spending in 2001 will be met from existing cash, other short-term investments and cash provided by operations. The Company anticipates cash requirements for capital spending will be approximately $100 million in 2001. Should new opportunities requiring additional capital arise, the Company may utilize the revolving credit facility. In addition, the Company may seek project financing or equity participation from outside alliance partners or customers. The Company cannot predict whether such financing or equity participation would be available on terms acceptable to the Company.

Subsequent to the end of the second quarter, Parker's operating subsidiary in Kazakhstan, Parker Drilling Company International Limited ("PDCIL"), received a tax assessment of approximately $29 million from the Kazakhstan tax authorities. The assessment is based primarily on the determination of the Kazakhstan tax authorities that approximately $100 million received by PDCIL from OKIOC, the operator under the Rig 257 contract in the Caspian Sea, in reimbursement for costs incurred to upgrade Rig 257 for drilling in the Caspian Sea, is income to PDCIL and therefore taxable. Based on consultation with legal and accounting experts, PDCIL believes it has strong legal bases to oppose the assessment and intends to assert all its legal remedies. Although it is too early to make a reasonable determination as to the probable outcome of this matter, based on current information management does not believe it will have a material adverse effect on the liquidity of the Company.

OTHER MATTERS

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued FAS No. 141 and 142. FAS No. 141, Business Combinations, requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. FAS No. 142, Goodwill and Other Intangible Assets, changes the accounting for goodwill from an amortization method to an impairment-only approach and will be effective January 2002. The Company is currently considering the possible effects of FAS No. 142 on its intangible asset valuation and accounting. If it is applicable, the Company will be required to discontinue amortizing the intangible assets and periodically assess them for impairment.

Legal Proceedings

Two subsidiaries of Parker Drilling Company ("Subsidiaries") are named defendants in the lawsuit, Verdin v. R & B Falcon Drilling USA, Inc., et. al., Civil Action No. G-00-488, currently pending in the U.S. District Court for the Southern District of Texas, Galveston Division. The plaintiff is a former employee of a drilling contractor engaged in offshore drilling operations in the Gulf of Mexico. The defendants are various drilling contractors, including the Subsidiaries, who conduct drilling operations in the Gulf of Mexico. Plaintiff alleges that the defendants have violated federal and state antitrust laws by agreeing with each other to depress wages and benefits paid to employees working for said defendants.

Plaintiff is seeking to bring this case as a "class action", i.e., on behalf of himself and a proposed class of other similarly situated employees of the defendants that have allegedly suffered similar damages from the actions of defendants. At the present time, the court has not ruled on the issue of whether the plaintiff has established the requirements for bringing this case as a "class action" on behalf of other similarly situated employees. At least six of the defendants have entered into settlement agreements pursuant to which they have agreed to pay settlement amounts although these settlements are a small fraction of the amount claimed by plaintiff. The subsidiaries and certain of the other defendants are attempting to negotiate a settlement agreement with the plaintiffs. However, no assurances can be given at this time that such negotiations will be successful. The Subsidiaries and certain other defendants have denied the plaintiff's claims. Based on the information obtained to date and consultation with legal counsel, management believes the Subsidiaries have sufficient defenses to prevail in this case if it should go to trial. Although management cannot predict the ultimate result, management believes the outcome of this case will not have a material adverse effect on the results of operations, cash flows or financial position.

PART II. OTHER INFORMATION

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, 2001

By: /s/ James J. Davis

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

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield
Vice President and Controller

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

Exhibit Number	Description
<S>	<C>
15	Letter re Unaudited Interim Financial Information

</TABLE>

EXHIBIT 15

August 13, 2001

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

Re: Parker Drilling Company
Registration on Form S-8 and Form S-3

We are aware that our report dated July 26, 2001, on our review of the interim financial information of Parker Drilling Company for the three and six month periods ended June 30, 2001 and 2000 and included in this Form 10-Q for the quarter ended June 30, 2001 is incorporated by reference in the Company's registration statements on Form S-8 (File No. 2-87944, 33-24155, 33-56698, 33-57345, 333-59132) and Form S-3 (File No. 333-36498).

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP