

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2002

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)

Delaware

73-0618660

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1401 Enclave Parkway, Suite 600, Houston, Texas 77077

(Address of principal executive offices) (zip code)

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

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 requirement for the past 90 days. Yes X No

--- ---

As of October 31, 2002, 92,621,408 common shares were outstanding.

PARKER DRILLING COMPANY

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

<TABLE>
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	September 30, 2002	December 31, 2001	
	----- <C>	----- <C>	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 32,370	\$ 60,400	
Other short-term investments	12	12	
Accounts and notes receivable, net	86,914	99,874	
Rig materials and supplies	13,586	22,200	
Other current assets (Note 4)	32,720	8,966	
	-----	-----	
Total current assets	165,602	191,452	
	-----	-----	
Property, plant and equipment less accumulated depreciation and amortization of \$581,608 at September 30, 2002 and \$520,645 at December 31, 2001		660,297	695,529
Goodwill, net of accumulated amortization of \$108,412 at September 30, 2002 and \$35,268 at December 31, 2001		115,983	189,127
Other noncurrent assets	34,640	29,669	
	-----	-----	
Total assets	\$ 976,522	\$ 1,105,777	
	=====	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:			
Current portion of long-term debt	\$ 5,394	\$ 5,007	
Accounts payable and accrued liabilities	61,341	71,673	
Accrued income taxes	3,801	7,054	
	-----	-----	

Total current liabilities	70,536	83,734	
Long-term debt	585,121	587,165	
Deferred income tax	3,323	16,152	
Other long-term liabilities	6,989	6,583	
Minority interest	326	--	
Contingencies (Note 8)			
Stockholders' equity:			
Common stock	15,437	15,342	
Capital in excess of par value	434,638	432,845	
Accumulated other comprehensive income - net unrealized gain on investments available for sale (net of taxes \$180 at September 30, 2002 and \$227 at December 31, 2001)		321	403
Accumulated deficit	(140,169)	(36,447)	
Total stockholders' equity	310,227	412,143	
Total liabilities and stockholders' equity	\$ 976,522	\$ 1,105,777	

</TABLE>

See accompanying notes to unaudited consolidated condensed financial statements.

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

<TABLE>

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
	<C>	<C>	<C>	<C>
Drilling and rental revenues:				
U.S. drilling	\$ 31,977	\$ 52,985	\$ 81,597	\$ 158,228
International drilling	56,250	57,047	175,315	167,729
Rental tools	11,852	18,895	37,206	50,759
Total drilling and rental revenues	100,079	128,927	294,118	376,716
Drilling and rental operating expenses:				
U.S. drilling	22,970	29,827	64,653	86,245
International drilling	34,214	38,414	112,124	116,057
Rental tools	5,255	6,750	16,650	17,570
Depreciation and amortization	25,053	24,330	73,036	71,425
Total drilling and rental operating expenses	87,492	99,321	266,463	291,297
Drilling and rental operating income	12,587	29,606	27,655	85,419
Construction contract revenue	17,285	--	81,948	--
Construction contract expense	16,515	--	79,924	--
Net construction contract operating income (Note 4)	770	--	2,024	--
General and administrative expense	6,097	4,925	18,583	14,805
Provision for doubtful accounts	1,500	--	1,500	--
Reorganization expense	--	2,306	--	7,500
Total operating income	5,760	22,375	9,596	63,114
Other income and (expense):				
Interest expense	(13,316)	(13,772)	(38,409)	(41,062)
Interest income	159	795	711	2,439
Gain on disposition of assets	1,658	326	3,190	1,776

Minority interest expense	(184)	--	(184)	--
Other income (expense) - net	(196)	9	(4,431)	(309)
Total other income and (expense)	(11,879)	(12,642)	(39,123)	(37,156)
Income (loss) before income taxes and cumulative effect of change in accounting principle	(6,119)	9,733	(29,527)	25,958
Income tax expense (benefit):				
Current	5,901	3,408	14,751	10,417
Deferred	(4,000)	3,300	(13,700)	8,300
Income tax expense (benefit)	1,901	6,708	1,051	18,717
Income (loss) before cumulative effect of change in accounting principle	(8,020)	3,025	(30,578)	7,241
Cumulative effect of change in accounting principle	--	--	(73,144)	--
Net income (loss)	\$ (8,020)	\$ 3,025	\$ (103,722)	\$ 7,241
Earnings (loss) per share - basic:				
Before cumulative effect of change in accounting principle	\$ (0.09)	\$ 0.03	\$ (0.33)	\$ 0.08
Cumulative effect of change in accounting principle	\$ --	\$ --	\$ (0.79)	\$ --
Net income (loss)	\$ (0.09)	\$ 0.03	\$ (1.12)	\$ 0.08
Earnings (loss) per share - diluted:				
Before cumulative effect of change in accounting principle	\$ (0.09)	\$ 0.03	\$ (0.33)	\$ 0.08
Cumulative effect of change in accounting principle	\$ --	\$ --	\$ (0.79)	\$ --
Net income (loss)	\$ (0.09)	\$ 0.03	\$ (1.12)	\$ 0.08
Number of common shares used in computing earnings per share:				
Basic	92,510,985	92,117,651	92,365,791	91,955,655
Diluted	92,510,985	92,589,301	92,365,791	92,876,615

See accompanying notes to unaudited consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

Nine Months Ended September 30,

	2002	2001	
	<C>	<C>	
Cash flows from operating activities:			
Net income (loss)	\$ (103,722)	\$ 7,241	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	73,036	71,425	
Gain on disposition of assets	(3,190)	(1,776)	
Cumulative effect of change in accounting principle		73,144	--
Expenses not requiring cash	6,130	3,816	
Deferred income taxes	(13,700)	8,300	
Change in operating assets and liabilities	(24,682)	6,424	
Net cash provided by operating activities	7,016	95,430	
Cash flows from investing activities:			
Capital expenditures	(39,238)	(90,286)	

Proceeds from the sale of equipment	5,459	5,828
Proceeds from the sale of investments	--	799
Net cash used in investing activities	(33,779)	(83,659)
Cash flows from financing activities		
Principal payments under debt obligations	(3,887)	(3,588)
Proceeds from interest rate swap settlement (Note 6)	2,620	--
Other	--	555
Net cash used in financing activities	(1,267)	(3,033)
Net change in cash and cash equivalents	(28,030)	8,738
Cash and cash equivalents at beginning of period	60,400	62,480
Cash and cash equivalents at end of period	\$ 32,370	\$ 71,218
Supplemental cash flow information:		
Interest paid	\$ 29,172	\$ 31,900
Income taxes paid	\$ 14,917	\$ 14,374
Supplemental noncash investing activity:		
Net unrealized gain (loss) on investments available for sale (net of taxes \$(46) in 2002 and \$(224) in 2001)	\$ (82)	\$ (399)

</TABLE>

See accompanying notes to unaudited consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

- 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 September 30, 2002 and December 31, 2001, (2) the results of operations for the three and nine months ended September 30, 2002 and 2001, and (3) cash flows for the nine months ended September 30, 2002 and 2001. Results for the nine months ended September 30, 2002 are not necessarily indicative of the results, which will be realized for the year ending December 31, 2002. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended December 31, 2001.

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.

- 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 September 30, 2002		
Loss (Numerator)	Shares (Denominator)	Per-Share Amount
<C>	<C>	<C>

<S>

Basic EPS:			
Net loss	\$ (8,020,000)	92,510,985	\$ (0.09)
Effect of dilutive securities:			
Stock options and grants	--	--	--
Diluted EPS:			
Net loss	\$ (8,020,000)	92,510,985	\$ (0.09)

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

2. Earnings Per Share (continued) -

<TABLE>
<CAPTION>

For the Nine Months Ended September 30, 2002

	Loss (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Loss before cumulative effect of change in accounting principle	\$ (30,578,000)	92,365,791	\$ (0.33)
Cumulative effect of change in accounting principle	\$ (73,144,000)	92,365,791	\$ (0.79)
Net loss	\$ (103,722,000)	92,365,791	\$ (1.12)
Effect of dilutive securities:			
Stock options and grants	--	--	--
Diluted EPS:			
Loss before cumulative effect of change in accounting principle	\$ (30,578,000)	92,365,791	\$ (0.33)
Cumulative effect of change in accounting principle	\$ (73,144,000)	92,365,791	\$ (0.79)
Net loss	\$ (103,722,000)	92,365,791	\$ (1.12)

<CAPTION>

For the Three Months Ended September 30, 2001

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>
Basic EPS:			
Net income	\$ 3,025,000	92,117,651	\$ 0.03
Effect of dilutive securities:			
Stock options and grants	--	471,650	--
Diluted EPS:			
Net income	\$ 3,025,000	92,589,301	\$ 0.03

<CAPTION>

For the Nine Months Ended September 30, 2001

	Income (Numerator)	Shares (Denominator)	Per-Share Amount
<S>	<C>	<C>	<C>

Basic EPS:				
Net income	\$ 7,241,000	91,955,655	\$ 0.08	
Effect of dilutive securities:				
Stock options and grants	--	920,960	--	
Diluted EPS:				
Net income	\$ 7,241,000	92,876,615	\$ 0.08	

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

2. Earnings Per Share (continued) -

The Company has outstanding \$124,509,000 of 5.5% 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 nine months ended September 30, 2002, options to purchase 9,888,561 shares of common stock at prices ranging from \$2.24 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 incurred during the periods. For the three and nine months ended September 30, 2001 options to purchase 6,691,000 and 4,714,000 shares, respectively, of common stock at prices ranging from \$4.50 to \$12.1875 and from \$5.9375 to \$12.1875, respectively, 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 nine months ended September 30, 2002 and 2001 is as follows (dollars in thousands):

<TABLE>

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2002	2001	2002	2001	
	<C>	<C>	<C>	<C>	
Drilling and rental revenues:					
U.S. drilling	\$ 31,977	\$ 52,985	\$ 81,597	\$ 158,228	
International drilling	56,250	57,047	175,315	167,729	
Rental tools	11,852	18,895	37,206	50,759	
Total drilling and rental revenues	100,079	128,927	294,118	376,716	
Operating income (loss):					
U.S. drilling	(1,144)	12,057	(13,708)	38,456	
International drilling	10,514	8,600	30,152	22,900	
Rental tools	3,217	8,949	11,211	24,063	
Total operating income by segment (1)	12,587	29,606	27,655	85,419	
Net construction contract operating income	770	--	2,024	--	
General and administrative expense	(6,097)	(4,925)	(18,583)	(14,805)	
Provision for doubtful accounts	(1,500)	--	(1,500)	--	
Reorganization expense	--	(2,306)	--	(7,500)	
Total operating income	5,760	22,375	9,596	63,114	

Interest expense	(13,316)	(13,772)	(38,409)	(41,062)
Minority interest expense	(184)	--	(184)	--
Other income (expense) - net	1,621	1,130	(530)	3,906
	-----	-----	-----	-----
Income (loss) before income taxes	\$ (6,119)	\$ 9,733	\$ (29,527)	\$ 25,958
	=====	=====	=====	=====

</TABLE>

- (1) Operating income by segment is calculated by excluding net construction contract operating income, general and administrative expense, provision for doubtful accounts and reorganization expense from operating income, as reported in the consolidated condensed statements of operations.

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NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

4. Construction Contract - The Company has historically only constructed drilling rigs for its own use. At the request of one of its significant customers, the Company entered into a contract to design, construct, mobilize and sell ("construction contract") a specialized drilling rig to drill extended reach wells to offshore targets from a land-based location on Sakhalin Island, Russia for an international consortium of oil and gas companies. The Company also entered into a contract to operate the rig on behalf of the consortium. Generally Accepted Accounting Principles ("GAAP") requires that revenues received and costs incurred related to the construction contract should be accounted for and reported on a gross basis and income for the related fees should be recognized on a percentage of completion basis. Because this construction contract is not a part of the Company's historical or normal operations, the revenues and costs related to this contract have been shown as a separate component in the statement of operations. Construction costs in excess of funds received from the customer are accumulated and reported as part of other current assets. At September 30, 2002, a net receivable of \$27.2 million (construction costs less progress payments) is included in other current assets. In October 2002, the Company received a \$22.0 million progress payment related to this receivable.
5. Goodwill - Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." In accordance with this accounting principle, goodwill is no longer amortized but will be assessed for impairment on at least an annual basis.

As an initial step in the implementation process, the Company identified four reporting units that would be tested for impairment. The four units qualify as reporting units in that they are one level below an operating segment, or an individual operating segment and discrete financial information exists for each unit. The four reporting units identified by segment are as follows:

U.S. drilling segment: Barge rigs
 Jackup and Platform rigs (1)

International drilling segment: Nigeria barge rigs

Rental tools segment: Rental tools business

- (1) The jackup and platform rigs were aggregated due to the similarities in the markets served.

As required under the transitional accounting provisions of SFAS No. 142, the Company completed both steps required to identify and measure goodwill impairment at each reporting unit. The first step involved identifying all reporting units with carrying values (including goodwill) in excess of fair value, which was estimated by an independent business valuation consultant using the present value of estimated future cash flows. The reporting units for which carrying value exceeded fair value were then measured for impairment by comparing the implied fair value of the reporting unit goodwill, determined in the same manner as in a business combination, with the carrying amount of goodwill. The jackup and platform rigs reporting

unit was the only unit where impairment was identified. As a result, goodwill related to the jackup and platform rigs was impaired by \$73.1 million and was recognized as a cumulative effect of a change in accounting principle retroactive to the first quarter. The Company will perform its annual impairment review during the fourth quarter of each year, commencing in the fourth quarter of 2002.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

The following is a summary of net income and earnings per share as adjusted to remove the amortization of goodwill (dollars in thousands, except per share amounts):

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2001
	-----	-----
<S>	<C>	<C>
Net income - as reported	\$ 3,025	\$ 7,241
Goodwill amortization	1,870	5,611
Income tax impact (1)	(283)	(848)
	-----	-----
Net income - as adjusted	\$ 4,612	\$ 12,004
	=====	=====
Basic earnings per share:		
Net income - as reported	\$ 0.03	\$ 0.08
Goodwill amortization	0.02	0.06
Income tax impact (1)	-	(0.01)
	-----	-----
Net income - as adjusted	\$ 0.05	\$ 0.13
	=====	=====
Diluted earnings per share:		
Net income - as reported	\$ 0.03	\$ 0.08
Goodwill amortization	0.02	0.06
Income tax impact (1)	-	(0.01)
	-----	-----
Net income - as adjusted	\$ 0.05	\$ 0.13
	=====	=====

</TABLE>

(1) Certain goodwill amounts are non-deductible for tax purposes; therefore, the income tax impact reflects only the deductible goodwill amortization.

6. Derivative Financial Instruments - The Company is exposed to interest rate risk from its fixed-rate debt. The Company has hedged against a portion of the risk of changes in fair value associated with its \$214.2 million 9.75% Senior Notes by entering into three fixed-to-variable interest rate swap agreements with a total notional amount of \$150.0 million. The Company assumes no ineffectiveness as each interest rate swap meets the short-cut method requirements under SFAS No. 133 for fair value hedges of debt instruments. As a result, changes in the fair value of the interest rate swaps are offset by changes in the fair value of the debt and no net gain or loss is recognized in earnings. During the nine month period ended September 30, 2002, the interest rate swap reduced interest expense by \$2.4 million.

On July 24, 2002, the Company terminated all the interest rate swap agreements and received \$3.5 million. A gain totaling \$2.6 million will be recognized as a reduction to interest expense over the remaining term (ending November 2006) of the debt instrument.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

7. Exchange Offer - On May 2, 2002, the Company announced it had successfully completed the exchange of \$235.6 million in principal amount of new 10.125% Senior Notes due 2009 ("New Notes") for a like amount of its 9.75% Senior Notes due 2006 ("Outstanding Notes"), pursuant to an exchange offer described in the Offering Circular dated April 1, 2002 (the "Exchange Offer"). The consummation of the Exchange Offer was effected without registration, in reliance on the registration exemption provided by Section 4(2) of the Securities Act of 1933, as amended, which applies to offers and sales of securities that do not involve a public offering, and Regulation D promulgated under that act. The Exchange Offer was made to a limited number of existing holders of the Outstanding Notes that were institutional accredited investors. The Company relied on representations from such institutional accredited investors that the New Notes were acquired for investment and not with a view to the distribution thereof. On July 1, 2002, the Company filed a registration statement on Form S-4 offering to exchange the New Notes for notes of the Company having substantially identical terms in all material respects as the New Notes (the "Exchange Notes"). The offer to exchange the New Notes for Exchange Notes was consummated on September 17, 2002. The New Notes and Exchange Notes will be governed by the terms of the indenture executed by the Company, the Subsidiary Guarantors and the trustee dated May 2, 2002, the terms of which are substantially the same as the terms of the 1998 Indenture, as amended by the Fourth Supplemental Indenture, as described below.

In connection with the Exchange Offer, the Company solicited consents to certain amendments to the definitions and covenants in the indenture under which the Outstanding Notes were issued, which all participants in the Exchange Offer were deemed to have accepted. As a result of the participation in the Exchange Offer of more than 50% of the holders of the Outstanding Notes, the amendments to the 1998 Indenture were agreed, and which amendments have been effected by the execution of the Fourth Supplemental Indenture by the Company, the Subsidiary Guarantors and the trustee (as amended, the "1998 Indenture"). As a result of the Exchange Offer, the Company incurred fees of approximately \$3.6 million, which were expensed in the second quarter of 2002.

8. Contingency - On July 6, 2001, the Ministry of State Revenues of Kazakhstan ("MSR") issued an Act of Audit to the Kazakhstan branch ("PKD Kazakhstan") of Parker Drilling Company International Limited ("PDCIL"), a wholly owned subsidiary of the Company, assessing additional taxes of approximately \$29.0 million for the years 1998-2000. The assessment consisted primarily of adjustments in corporate income tax based on a determination by the Kazakhstan tax authorities that payments by Offshore Kazakhstan International Operating Company, ("OKIOC"), to PDCIL of \$99.0 million, in reimbursement of costs for modifications to Rig 257, performed by PDCIL prior to the importation of the drilling rig into Kazakhstan, are income to PKD Kazakhstan, and therefore, taxable to PKD Kazakhstan. PKD Kazakhstan filed an Act of Non-Agreement that such reimbursements should not be taxable and requested that the Act of Audit be revised accordingly. In November 2001, the MSR rejected PKD Kazakhstan's Act of Non-Agreement, prompting PKD Kazakhstan to seek judicial review of the assessment. On December 28, 2001, the Astana City Court issued a judgment in favor of PKD Kazakhstan, finding that the reimbursements to PDCIL were not income to PKD Kazakhstan and not otherwise subject to tax based on the U.S.-Kazakhstan Tax Treaty. The MSR appealed the decision of the Astana City Court to the Supreme Court, which confirmed the decision of the Astana City Court that the reimbursements were not income to PKD Kazakhstan in March 2002. Although the court agreed with the MSR's position on certain minor issues, no additional taxes will be payable as a result of this assessment. The MSR has until March 2003 to appeal this decision to a special panel of the Supreme Court of Kazakhstan.

9. Recent Accounting Pronouncements - In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires the capitalization and accrual of the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate of fair value can be made. SFAS No. 143 will be effective January 2003. The Company does not believe the adoption of SFAS No. 143 will have a material impact on its financial position or results of operations.

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121 and amends Accounting Principles Board ("APB") No. 30 for the accounting and reporting for discontinued operations as it relates to long-lived assets. SFAS No. 144 became effective January 2002. The Company has adopted the provisions of SFAS No. 144 and there was no resulting impact on its financial position or results of operations.

In April 2002, FASB issued SFAS No. 145 "Rescission of FASB Statements SFAS No. 4, SFAS No. 44, and SFAS No. 64, Amendment of FASB Statement SFAS No. 13, and Technical Corrections." SFAS No. 145 is effective for the fiscal years beginning after May 15, 2002. The Company has not yet adopted SFAS No. 145 nor has it determined the effect of the adoption on the financial position or results of operations.

In July 2002, FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 is effective for exit or disposal activities initiated after December 31, 2002. The Company has no such activities, thus the Company does not believe the impact of adoption of SFAS No. 146 will be material.

10. Guarantor/Non-Guarantor Consolidating Condensed Financial Statements - All of the Company's Senior Notes are guaranteed by substantially all wholly-owned subsidiaries of Parker Drilling Company ("PDC"). There are currently no restrictions on the ability of the subsidiaries to transfer funds to PDC in the form of cash dividends, loans or advances. PDC is a holding company with no operations, other than through its subsidiaries. The non-guarantors were inconsequential, individually and in the aggregate, to the consolidated financial statements and separate financial statements of the guarantors were not presented because management had determined that they would not be material to investors.

In August, 2002, Parker Drilling Company International Limited ("PDCIL") entered into an agreement to sell two of its rigs in Kazakhstan to AralParker, a Kazakhstan joint venture company owned 50% by PDCIL and 50% by a Kazakhstan company. Because PDCIL has significant influence over the business affairs of AralParker, its financial statements will be consolidated with those of the Company.

AralParker, Casuarina Limited (a wholly-owned captive insurance company) and Parker Drilling Investment Company are all non-guarantor subsidiaries whose aggregate financial position and results of operations are no longer deemed to be inconsequential and, accordingly the Company is setting forth below consolidating condensed financial information of the parent (PDC), the guarantor subsidiaries, and the non-guarantor subsidiaries as of September 30, 2002 and for the three and nine months then ended.

11
 PARKER DRILLING COMPANY AND SUBSIDIARIES
 CONSOLIDATING CONDENSED BALANCE SHEETS
 (Dollars in Thousands)
 (Unaudited)

<TABLE>
 <CAPTION>

September 30, 2002

	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
Current Assets:					

Cash and cash equivalents	\$ 21,163	\$ 6,953	\$ 4,254	\$ --	\$ 32,370	
Other short-term investments	--	12	--	--	12	
Accounts and notes receivable, net	130,248	99,080	18,222	(160,636)	86,914	
Rig materials and supplies	135	13,451	--	--	13,586	
Other current assets	27	32,557	42	94	32,720	
	-----	-----	-----	-----	-----	
Total current assets	151,573	152,053	22,518	(160,542)	165,602	
	-----	-----	-----	-----	-----	
Property, plant and equipment less accumulated depreciation and amortization of \$581,608 at September 30, 2002	273	631,932	41,808	(13,716)	660,297	
Goodwill, net of accumulated amortization of \$108,412 at September 30, 2002	--	115,983	--	--	115,983	
Investment in subsidiaries and intercompany advances		804,643	473,074	21,956	(1,299,673)	--
Other noncurrent assets	12,825	16,232	69	5,514	34,640	
	-----	-----	-----	-----	-----	
Total assets	\$ 969,314	\$ 1,389,274	\$ 86,351	\$(1,468,417)	\$ 976,522	
	=====	=====	=====	=====	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Current portion of long-term debt	\$ 5,394	\$ --	\$ --	\$ --	\$ 5,394	
Accounts payable and accrued liabilities	33,265	197,888	5,714	(175,526)	61,341	
Accrued income taxes	1,167	2,634	--	--	3,801	
	-----	-----	-----	-----	-----	
Total current liabilities	39,826	200,522	5,714	(175,526)	70,536	
	-----	-----	-----	-----	-----	

Long-term debt	585,121	--	--	--	585,121	
Deferred income tax	(41,976)	45,299	--	--	3,323	
Other long-term liabilities	1,533	5,456	--	--	6,989	
Minority interest	--	--	326	326	--	
Intercompany payables	74,583	513,824	48,296	(636,703)	--	
Contingencies (Note 8)	--	--	--	--	--	

Stockholders' equity:

Preferred stock	--	20,000	--	(20,000)	--	
Common stock	15,437	61,749	121	(61,870)	15,437	
Capital in excess of par value	434,638	903,844	5,330	(909,174)	434,638	
Accumulated other comprehensive income net unrealized gain on investments available for sale (net of taxes \$180 at September 30, 2002)		321	--	--	321	
Accumulated deficit	(140,169)	(361,420)	26,890	334,530	(140,169)	
	-----	-----	-----	-----	-----	
Total stockholders' equity	310,227	624,173	32,341	(656,514)	310,227	
	-----	-----	-----	-----	-----	

Total liabilities and stockholders' equity

\$ 969,314	\$ 1,389,274	\$ 86,351	\$(1,468,417)	\$ 976,522
=====	=====	=====	=====	=====

</TABLE>

12

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATING CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands)
(Unaudited)

<TABLE>

<CAPTION>

Three Months Ended September 30, 2002

Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated
-----	-----	-----	-----	-----
<C>	<C>	<C>	<C>	<C>

<S>

Drilling and rental revenues:

U.S. drilling	\$ --	\$ 31,701	\$ --	\$ 276	\$ 31,977	
International drilling	--	41,930	13,723	597	56,250	
Rental tools	--	11,852	--	--	11,852	
	-----	-----	-----	-----	-----	
Total drilling and rental revenues		--	85,483	13,723	873	100,079
	-----	-----	-----	-----	-----	
Drilling and rental operating expenses:						
U.S. drilling	--	22,694	--	276	22,970	
International drilling	--	24,252	9,365	597	34,214	
Rental tools	--	5,255	--	--	5,255	
Depreciation and amortization	--	23,523	1,530	--	25,053	
	-----	-----	-----	-----	-----	
Total drilling and rental operating expenses		--	75,724	10,895	873	87,492
	-----	-----	-----	-----	-----	
Drilling and rental operating income		--	9,759	2,828	--	12,587
	-----	-----	-----	-----	-----	
Construction contract revenue		--	17,285	--	--	17,285
Construction contract expense		--	16,515	--	--	16,515
	-----	-----	-----	-----	-----	
Net construction contract operating income (Note 4)		--	770	--	--	770
	-----	-----	-----	-----	-----	
General and administrative expense (1)		90	6,032	--	(25)	6,097
Provision for doubtful accounts		--	1,500	--	--	1,500
	-----	-----	-----	-----	-----	
Total operating income		(90)	2,997	2,828	25	5,760
	-----	-----	-----	-----	-----	
Other income and (expense):						
Interest expense	(14,487)	(10,654)	(395)	12,220	(13,316)	
Interest income	11,022	929	428	(12,220)	159	
Gain on disposition of assets	--	6,287	--	(4,629)	1,658	
Minority interest expense	--	--	--	(184)	(184)	
Other income (expense) - net	(294)	2,227	(2,105)	(24)	(196)	
Equity in net earnings of subsidiaries	(8,130)	--	--	8,130	--	
	-----	-----	-----	-----	-----	
Total other income and (expense)		(11,889)	(1,211)	(2,072)	3,293	(11,879)
	-----	-----	-----	-----	-----	
Income (loss) before income taxes and cumulative effect of change in accounting principle		(11,979)	1,786	756	3,318	(6,119)
Income tax expense (benefit):						
Current	41	5,860	--	--	5,901	
Deferred	(4,000)	--	--	--	(4,000)	
	-----	-----	-----	-----	-----	
Income tax expense (benefit)		(3,959)	5,860	--	--	1,901
	-----	-----	-----	-----	-----	
Income (loss) before cumulative effect of change in accounting principle		(8,020)	(4,074)	756	3,318	(8,020)
Cumulative effect of change in accounting principle		--	--	--	--	--
	-----	-----	-----	-----	-----	
Net income (loss)		\$ (8,020)	\$ (4,074)	\$ 756	\$ 3,318	\$ (8,020)
	=====	=====	=====	=====	=====	=====

</TABLE>

(1) All field operations general and administrative expense are included in operating expenses.

CONSOLIDATING CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

Nine Months Ended September 30, 2002

	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated	
<S>	<C>	<C>	<C>	<C>	<C>	
Drilling and rental revenues:						
U.S. drilling	\$ --	\$ 81,321	\$ --	\$ 276	\$ 81,597	
International drilling	--	160,274	13,723	1,318	175,315	
Rental tools	--	37,206	--	--	37,206	
Total drilling and rental revenues	--	278,801	13,723	1,594	294,118	
Drilling and rental operating expenses:						
U.S. drilling	--	64,377	--	276	64,653	
International drilling	--	101,441	9,365	1,318	112,124	
Rental tools	--	16,650	--	--	16,650	
Depreciation and amortization	--	71,506	1,530	--	73,036	
Total drilling and rental operating expenses	--	253,974	10,895	1,594	266,463	
Drilling and rental operating income	--	24,827	2,828	--	27,655	
Construction contract revenue	--	81,948	--	--	81,948	
Construction contract expense	--	79,924	--	--	79,924	
Net construction contract operating income (Note 4)	--	2,024	--	--	2,024	
General and administrative expense (1)		292	18,379	--	(88)	18,583
Provision for doubtful accounts	--	1,500	--	--	1,500	
Total operating income	(292)	6,972	2,828	88	9,596	
Other income and (expense):						
Interest expense	(41,948)	(31,935)	(395)	35,869	(38,409)	
Interest income	32,454	2,855	1,271	(35,869)	711	
Gain on disposition of assets	--	7,819	--	(4,629)	3,190	
Minority interest expense	--	--	--	(184)	(184)	
Other income (expense) - net	(4,828)	2,509	(2,025)	(87)	(4,431)	
Equity in net earnings of subsidiaries	(102,767)	--	--	102,767	--	
Total other income and (expense)	(117,089)	(18,752)	(1,149)	97,867	(39,123)	
Income (loss) before income taxes and cumulative effect of change in accounting principle	(117,381)	(11,780)	1,679	97,955	(29,527)	
Income tax expense (benefit):						
Current	41	14,710	--	--	14,751	
Deferred	(13,700)	--	--	--	(13,700)	
Income tax expense (benefit)	(13,659)	14,710	--	--	1,051	
Income (loss) before cumulative effect of change in accounting principle	(103,722)	(26,490)	1,679	97,955	(30,578)	
Cumulative effect of change in accounting principle	--	(73,144)	--	--	(73,144)	

Net income (loss)	\$ (103,722)	\$ (99,634)	\$ 1,679	\$ 97,955	\$ (103,722)
-------------------	--------------	-------------	----------	-----------	--------------

</TABLE>

(1) All field operations general and administrative expense are included in operating expenses.

14
PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATING CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 2002				
	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
Cash flows from operating activities:					
Net income (loss)	\$(103,722)	\$ (99,634)	\$ 1,679	\$ 97,955	\$(103,722)
Adjustments to reconcile net income (loss) to net cash provided by (used) in operating activities:					
Depreciation and amortization	--	71,506	1,530	--	73,036
Gain on disposition of assets	--	(7,819)	--	4,629	(3,190)
Cumulative effect of change in accounting principle	--	73,144	--	--	73,144
Expenses not requiring cash	2,759	3,439	--	(68)	6,130
Deferred income taxes	(13,700)	--	--	--	(13,700)
Equity in net earnings of subsidiaries	102,767	--	--	(102,767)	--
Change in operating assets and liabilities	(12,435)	2,083	(12,307)	(2,023)	(24,682)
Net cash provided by (used) in operating activities	(24,331)	42,719	(9,098)	(2,274)	7,016
Cash flows from investing activities:					
Capital expenditures	(81)	4,173	(37,530)	(5,800)	(39,238)
Proceeds from the sale of equipment	8	5,459	--	(8)	5,459
Net cash provided by (used) in investing activities	(73)	9,632	(37,530)	(5,808)	(33,779)
Cash flows from financing activities:					
Principal payments under debt obligations	(3,887)	--	--	--	(3,887)
Proceeds from interest rate SWAP settlement	2,620	--	--	--	2,620
Intercompany advances, net	(4,103)	(53,470)	49,491	8,082	--
Net cash provided by (used) in financing activities	(5,370)	(53,470)	49,491	8,082	(1,267)
Net change in cash and cash equivalents	(29,774)	(1,119)	2,863	--	(28,030)
Cash and cash equivalents at beginning of period	50,937	8,072	1,391	--	60,400
Cash and cash equivalents at end of period	\$ 21,163	\$ 6,953	\$ 4,254	\$ --	\$ 32,370

</TABLE>

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 September 30, 2002 and the related consolidated condensed statements of operations for the three and nine month periods ended September 30, 2002 and 2001 and the consolidated condensed statement of cash flows for the nine month periods ended September 30, 2002 and 2001. 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 consolidated condensed 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 auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2001, 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 29, 2002, 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, 2001, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Tulsa, Oklahoma
October 29, 2002

ITEM 2. 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 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 rig utilization, dayrates and rental tools activity,
- *future capital expenditures and investments in the acquisition and refurbishment of rigs and equipment,
- *repayment of debt,
- *maintenance of the Company's revolver borrowing base, and
- *expansion and growth of operations.

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 it believes 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,
- *the strength in the U.S. economy and the demand for natural gas,
- *fluctuations in the market prices of oil and gas,
- *imposition of unanticipated trade restrictions and political instability,
- *operating hazards and uninsured risks,
- *new or changes in governmental regulations that adversely affect the cost of doing business,
- *adverse environmental events,
- *adverse weather conditions,
- *changes in concentration of customer and supplier relationships,
- *unexpected cost increases for upgrade and refurbishment projects,
- *changes in 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 are referenced in connection with forward-looking statements that are included from time to time in this document. Each forward-looking statement speaks only as of the date of this Form 10-Q, and the Company undertakes no obligation to publicly update or revise any forward-looking statement.

INTRODUCTION AND OUTLOOK

The \$8.0 million loss incurred for the three months ended September 30, 2002, reflects a \$3.5 million improvement as compared to the \$11.5 million loss incurred during the second quarter of 2002. Gross margins improved in all drilling segments, most notably in our U.S. offshore market, due primarily to implementation of cost reduction measures, as dayrates were relatively unchanged. The improvement during the third quarter in our Gulf Coast market is primarily attributed to near 100% utilization for both the jackup rigs and the deep drilling barges. Further improvements in results of operations for this market were hindered by low utilization from our workover and intermediate barge rigs and platform rigs. Overall, utilization for our jackup rigs and domestic barge rigs during the third quarter of 2002 averaged 97% and 54%, respectively, as compared to 78% and 50% for the second quarter of 2002.

Third quarter revenues in the international segment remained unchanged as compared to the second quarter of 2002, as international land rigs utilization continues to be negatively impacted by the release of four rigs in Colombia and one rig in Kazakhstan during the second quarter. In addition, although the two Nigerian barge rigs which were idle for a substantial portion of the second quarter due to ABS inspection and repairs have completed such repairs, only one received revenue during the third quarter. Though revenues remained unchanged gross margins increased approximately \$4.0 million due primarily to reduced costs throughout the international segment.

We anticipate that overall utilization and revenues for the fourth quarter of 2002 should approximate the third quarter. U.S. offshore revenues are expected to increase, albeit at a slow pace, partially offset by reduced revenues in the international segment. This reduction is the result of certain rigs in New Zealand and Indonesia completing their drilling programs during the third quarter with new contracts beginning in 2003. In addition, only one of the two Nigerian barge rigs that were idle during the second quarter for ABS inspections and repairs is now under contract, having signed a one year

extension. This rig has been placed on a reduced standby or "hot stack" rate through the end of 2002, at which time the customer has the option to resume drilling operations, continue the "hot stack" rate or terminate the contract. Based on the current business outlook, we have updated our guidance regarding the anticipated range for revenues and losses for the year 2002. We now anticipate that revenues for the year will range from \$390 to \$400 million. Based on these revised estimates of 2002 revenues, we are now anticipating a loss in the range of \$40 million plus or minus 5%, or a loss per share of \$0.41 to \$0.45. before the change in accounting principle, and approximately \$111 million to \$115 million or \$1.19 to \$1.24 per share after the cumulative effect of the change in accounting principle for 2002 (see Note 5 of the Notes to Unaudited Consolidated Condensed Financial Statements).

The Company's domestic contracts are usually well to well contracts. Although it is common for international contracts to have multi-year terms, in most cases this will not preclude the customer from terminating the contract without cause prior to the scheduled termination date. When a customer exercises its contractual right to terminate a contract without cause before the end of the stated term, the contract may require the payment of an early termination fee based on the Company's investment in the project. In addition, the customer may have the obligation to pay a demobilization fee to return the rig to its point of origin.

RESULTS OF OPERATIONS (continued)

Our drilling operations in Kazakhstan are a significant part of our current international operations and our strategic growth for the future. Since 1993, our operations in Kazakhstan have grown from providing labor to our principal customer to owning and managing 11 drilling rigs for several operators. In the last few years, the government of Kazakhstan has requested that vendors incorporate local content into their operations to stimulate the development of a local oil and gas service industry and the Kazakhstan economy. In order to take advantage of the significant growth potential and remain a preferred vendor of the principal operators in Kazakhstan, it was advantageous for us to partner with a local company. In June 2002, Parker Drilling Company International Limited (PDCIL) entered into an agreement to sell two of its rigs in Kazakhstan to AralParker, a Kazakhstan joint venture company owned 50% by a Parker subsidiary and 50% by a Kazakhstan company, Aralnedra CJSC. The purchase price of the rigs was \$42.7 million, which represents the fair market value according to an appraisal by an independent third party appraiser. The purchase of the rigs is being financed by Parker Drilling Company over a five-year period and is collateralized by a lien on the rigs and an assignment of the five-year drilling contract and its proceeds. The transaction closed on August 15, 2002. In addition, PDCIL will lease a third rig to AralParker, and will provide management and technical services to the joint venture company. In light of the Company's significant influence over the business affairs of AralParker, its financial statements will be consolidated with the Company's financial statements in accordance with GAAP. Although Aralnedra will effectively own 50% of the two rigs, PDCIL will continue to receive approximately 90% of the cash flow generated by the current five-year drilling contract through the proceeds of repayment of the loan and the management and technical services contract.

Three Months Ended September 30, 2002 Compared with Three Months Ended September 30, 2001

The Company recorded a net loss of \$8.0 million for the three months ended September 30, 2002 compared to net income of \$3.0 million for the three months ended September 30, 2001. The net loss in the third quarter of 2002 is reflective of low utilization and dayrates in the U.S. Gulf of Mexico drilling operations, reduced rental tool revenues and reduced revenues in the international offshore operations when compared to the third quarter of 2001.

<TABLE>
<CAPTION>

Three Months Ended September 30,	
2002	2001

	(Dollars in Thousands)			
<S>	<C>	<C>	<C>	<C>
Drilling and rental revenues:				
U.S. drilling	\$ 31,977	32%	\$ 52,985	41%
International drilling	56,250	56%	57,047	44%
Rental tools	11,852	12%	18,895	15%
	-----	-----	-----	-----
Total drilling and rental revenues	\$ 100,079	100%	\$ 128,927	100%
	=====	=====	=====	=====

</TABLE>

The Company's drilling and rental revenues decreased \$28.8 million to \$100.1 million in the current quarter as compared to the third quarter of 2001. U.S. drilling revenues decreased \$21.0 million due to lower dayrates and utilization in the Company's Gulf of Mexico drilling operations. Total U.S. barge rig revenues decreased \$10.9 million in the current quarter, as a result of a 27% decrease in utilization as compared to the third quarter of 2001. Jackup rig revenues decreased \$6.6 million in the current quarter as compared to the third quarter of 2001 due to a 47% decrease in dayrates, which was partially offset by an increase in average utilization. The jackup rigs current quarter average utilization was 97% compared to 81% for the third quarter of 2001. The platform rigs did not work during the third quarter of 2002 as compared to revenues of \$3.5 million in the third quarter of 2001.

RESULTS OF OPERATIONS (continued)

International drilling revenues decreased \$0.8 million to \$56.3 million in the current quarter as compared to the third quarter of 2001. International land drilling revenues increased \$2.1 million while international offshore drilling revenues decreased \$2.9 million. Primarily responsible for the improvement in international land drilling revenues was increased dayrates in the CIS region that includes Kazakhstan and Russia, resulting in additional revenues of \$1.7 million. Higher rates were partially offset by one rig being stacked in the Karachaganak field during the second quarter. Land drilling revenues increased \$1.7 million in the Asia Pacific region primarily due to increased utilization in New Zealand and Indonesia. During the third quarter of 2002 one additional rig worked in both New Zealand and Indonesia as compared to the prior year's third quarter. Revenues declined \$1.7 million in Latin America due primarily to a sharp decline in activity in both Bolivia and Colombia. As previously noted a customer in Colombia released four rigs resulting in a \$5.6 million decrease in revenues, which was partially offset by new contracts in 2002 in Ecuador and Peru. The Ecuador drilling contract was completed at the end of the third quarter.

The decrease of \$2.9 million in international offshore drilling revenues was due primarily to Nigerian operations. Two of the four barge rigs in Nigeria were idle for a substantial portion of the second quarter due to ABS inspection and repairs. Upon completion of the inspection and repairs one barge rig went back to work for the entire third quarter, but the contract for the second barge rig was not renewed and did not work during the third quarter. Currently both barge rigs are stacked with one rig on a reduced "hot stack" rate. The customer has postponed some drilling activities until 2003 due to 2002 budgetary issues. We are cautiously optimistic that both barge rigs will go back to work during 2003. The remaining two barge rigs in Nigeria worked throughout 2002 and are expected to operate through 2003.

Rental tool revenues decreased \$7.0 million as Quail Tools reported revenues in the current quarter of \$11.8 million. Quail Tools continued to be negatively impacted by the reduced activity in the U.S. drilling markets. Revenues decreased \$4.0 million from the New Iberia, Louisiana operations, \$1.9 million from the Victoria, Texas operations and \$1.5 from the Odessa, Texas operations. The Evanston, Wyoming operations opened during the second quarter of 2002 and contributed revenues of \$0.4 million.

<Table>

<Caption>

Three Months Ended September 30,					

	2002		2001		

(Dollars in Thousands)					
<S>	<C>	<C>	<C>	<C>	
Drilling and rental profit margins:					
U.S. drilling	\$ 9,007	28%	\$ 23,158	44%	
International drilling	22,036	39%	18,633	33%	
Rental tools	6,597	56%	12,145	64%	
	-----		-----		
Total drilling and rental profit margins		37,640	38%	53,936	42%
	-----	-----			
Depreciation and amortization		(25,053)		(24,330)	
Net construction contract operating income		770		--	
General and administrative expense		(6,097)		(4,925)	
Provision for doubtful accounts		(1,500)		--	
Reorganization expense		--		(2,306)	
	-----	-----			
Total operating income		\$ 5,760		\$ 22,375	
	=====	=====			

</Table>

(Drilling and rental profit margin - drilling and rental revenues less direct drilling and rental operating expenses; drilling and rental profit margin percentages - drilling and rental profit margin as a percent of drilling and rental revenues.)

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RESULTS OF OPERATIONS (continued)

Drilling and rental profit margins of \$37.6 million in the current quarter reflected a decrease of \$16.3 million from the third quarter of 2001. In the U.S. drilling market, profit margins decreased \$14.2 million. U.S. profit margins were negatively impacted during the current quarter by lower utilization and dayrates in the Gulf of Mexico as previously discussed. Average dayrates decreased approximately 51% for jackup rigs and 10% for barge rigs in the current quarter when compared to the third quarter of 2001.

International drilling profit margins increased \$3.4 million in the current quarter as compared to the third quarter of 2001. International land drilling profit margins increased \$4.5 million to \$15.1 million during the current quarter due primarily to increased average dayrates during 2002 and high mobilization costs in 2001 in the CIS region. The international offshore drilling profit margin decreased \$1.1 million to \$6.9 million in the third quarter. This decrease is attributed to the ABS inspection and repairs in the current quarter for the one barge rig in Nigeria that did not operate as previously mentioned, and increased property taxes in the Caspian Sea operations.

Rental tool profit margin decreased \$5.5 million to \$6.6 million during the current quarter as compared to the third quarter of 2001. Profit margin percentage decreased to 56% during the current quarter as compared to 64% for the third quarter of 2001. The decline in profit margin was primarily attributable to increased inspection and cleaning costs because a number of rental tools are not presently under contract.

During the first quarter of 2002, the Company announced a new contract to build and operate a rig to drill extended reach wells to offshore targets from a land-based location on Sakhalin Island, Russia for an international consortium. The revenue and expense for the project are recognized as construction contract revenue and expense. The engineering fee is calculated on a percentage of completion basis, of which \$0.8 million was recognized during the three months ended September 30, 2002.

General and Administrative expense increased \$1.2 million to \$6.1 million in the current quarter as compared to the third quarter of 2001. This increase is primarily attributable to personnel costs, rent expense for the new corporate office in Houston and professional fees.

During the third quarter a U.S. offshore customer filed for bankruptcy. The Company increased its allowance for doubtful accounts by \$1.5 million to reserve for the potential loss.

Reorganization expense of \$2.3 million for the three months ended September 30, 2001 includes non-recurring expense for the move of the corporate office to Houston and the reorganization of certain management positions.

Third quarter income tax expense consists of foreign tax expense of \$5.9 million and a deferred tax benefit of \$4.0 million. Foreign taxes increased \$2.5 million as compared to the third quarter of 2001 due to an increase in income taxes in Kazakhstan, Peru, Ecuador, Indonesia and New Zealand reflecting an increase in gross margins. The deferred tax benefit was recognized due to the loss generated during the third quarter of 2002.

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RESULTS OF OPERATIONS (continued)

Nine Months Ended September 30, 2002 Compared with Nine Months Ended September 30, 2001

The Company recorded a net loss of \$30.6 million before the cumulative effect of a change in accounting principle for the nine months ended September 30, 2002 compared to net income of \$7.2 million recorded for the nine months ended September 30, 2001. Adoption of SFAS No. 142 resulted in a \$73.1 million impairment of goodwill which was recognized as a change in accounting principle, (see Note 5 of the Notes to Unaudited Consolidated Condensed Financial Statements). The net loss in the current period of 2002 is reflective of lower utilization and dayrates in the Gulf of Mexico drilling operations, declining utilization in Latin America, and reduced revenues in the Company's rental tool operations.

<TABLE>
<CAPTION>

	Nine Months Ended September 30,			
	2002		2001	
	(Dollars in Thousands)			
<S>	<C>	<C>	<C>	<C>
Drilling and rental revenues:				
U.S. drilling	\$ 81,597	28%	\$ 158,228	42%
International drilling	175,315	60%	167,729	45%
Rental tools	37,206	12%	50,759	13%
Total drilling and rental revenues	\$ 294,118	100%	\$ 376,716	100%

</TABLE>

The Company's drilling and rental revenues decreased \$82.6 million to \$294.1 million in the current nine-month period as compared to the nine months ended September 30, 2001. U.S. drilling revenues decreased \$76.6 million due to lower dayrates and utilization in the Company's Gulf of Mexico drilling operations. Total barge rig revenues decreased \$37.5 million in the current nine-month period, as a result of a 35% decrease in utilization as compared to the nine months ended September 30, 2001. Jackup rig revenues decreased \$30.3 million in the current nine-month period as compared to the comparable nine months in 2001 due to a 48% decrease in dayrates and a 11% decrease in utilization. Platform rig utilization and dayrates decreased 45% and 26%, respectively, resulting in an \$8.8 million decrease in revenues.

International drilling revenues increased \$7.6 million to \$175.3 million in the current nine-month period as compared to the nine months ended September 30, 2001. International land drilling revenues increased \$11.5 million while international offshore drilling revenues decreased \$3.9 million. Primarily responsible for the improvement in international land drilling revenues was increased rig activity in the CIS region, where an increase of three rigs resulted in additional revenues of \$9.2 million. Land drilling revenues increased \$7.0 million in the Asia Pacific region due to increased utilization in Papua New Guinea and Indonesia. Revenues increased \$0.6 million in Kuwait as additional labor contracts were added. Revenues declined \$5.4 million in Latin

America due to decreased activity in Colombia and Bolivia partially offset by new 2002 contracts in Ecuador and Peru. The contract in Ecuador was completed at the end of the third quarter.

The decrease of \$3.9 million in international offshore drilling revenues was due primarily to Nigeria with two barge rigs down for ABS inspections and repairs. Upon completing the repair work one of the barge rigs returned to work to complete its contract during the third quarter. Due to budgetary issues the customer has extended the contract for one of the two barge rigs which rig has been placed on a reduced "hot stack" rate, pending resumption of operations. We are cautiously optimistic that both barge rigs will return to work in 2003.

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RESULTS OF OPERATIONS (continued)

Rental tool revenues decreased \$13.6 million as Quail Tools reported revenues in the current nine-month period of \$37.2 million. Quail Tools was negatively impacted by the reduced drilling activity in the Gulf of Mexico markets. Revenues decreased \$6.1 million from the New Iberia, Louisiana operations, \$6.5 million from the Victoria, Texas operations, \$1.6 million from the Odessa, Texas operations, which were partially offset by revenues of \$0.6 million from new operations in Evanston, Wyoming.

<TABLE>
<CAPTION>

	Nine Months Ended September 30,			
	2002		2001	
	(Dollars in Thousands)			
<S>	<C>	<C>	<C>	<C>
Drilling and rental profit margins:				
U.S. drilling	\$ 16,944	21%	\$ 71,983	45%
International drilling	63,191	36%	51,672	31%
Rental tools	20,556	55%	33,189	65%
Total drilling and rental profit margins	100,691	34%	156,844	42%
Depreciation and amortization	(73,036)		(71,425)	
Net construction contract operating income	2,024		-	
General and administrative expense	(18,583)		(14,805)	
Provision for doubtful accounts	(1,500)		-	
Reorganization expense	-		(7,500)	
Total operating income	\$ 9,596		\$ 63,114	

</TABLE>

(Drilling and rental profit margin - drilling and rental revenues less direct drilling and rental operating expenses; drilling and rental profit margin percentages - drilling and rental profit margin as a percent of drilling and rental revenues.)

Drilling and rental profit margins of \$100.7 million in the current nine-month period reflected a decrease of \$56.2 million from the nine months ended September 30, 2001. The U.S. Gulf of Mexico drilling operations accounted for \$55.0 million of the decrease in profit margin. Lower average dayrates and utilization for the U.S. fleet combined with increased barge rig labor and insurance rates contributed to the decline in profit margins for the current nine-month period compared to the nine months ended September 30, 2001.

International drilling profit margins increased \$11.5 million in the current nine-month period as compared to the nine months ended September 30, 2001. International land drilling profit margins increased \$13.8 million to \$44.8 million during the current nine-month period due primarily to increased utilization in the Company's land drilling operations as previously discussed. The international offshore drilling profit margin decreased \$2.3 million to \$18.4 million in the current nine-month period. The decrease is primarily attributed to higher operating expenses, which resulted from increased property

taxes for Rig 257 in the Caspian Sea operations and reduced revenues due to downtime in Nigeria.

Rental tool profit margins decreased \$12.6 million to \$20.6 million during the current nine-month period as compared to the first nine months ended September 30, 2001. Profit margin percentage decreased to 55% during the current nine-month period as compared to 65% for the nine months ended September 30, 2001 due to increasing costs in relation to the decreased revenue levels. The increase in operating expenses is primarily attributed to higher salary expense and increased inspection and cleaning costs of rental tools, as previously discussed.

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RESULTS OF OPERATIONS (continued)

During the first quarter of 2002, the Company announced a new contract to build and operate a rig to drill extended reach wells to offshore targets from a land-based location on Sakhalin Island, Russia for an international consortium. The revenue and expense for the project are recognized as construction contract revenue and expense. The engineering fee is calculated on a percentage of completion basis, of which \$2.0 million was recognized during the nine months ended September 30, 2002.

General and Administrative expense increased \$3.8 million to \$18.6 million in the current nine-month period as compared to the nine months ended September 30, 2001. This increase is primarily attributed to increased rent expense for the new corporate office in Houston and the new office in Tulsa, severance for reduction in force, legal and professional fees and maintenance on the former corporate headquarters in Tulsa, currently held for sale.

During the third quarter a U.S. offshore customer filed for bankruptcy. The Company increased its allowance for doubtful accounts by \$1.5 million to reserve for the potential loss.

Reorganization expense of \$7.5 million for the nine months ended September 30, 2001 includes non-recurring expense for the move of the corporate office to Houston and the reorganization of certain management positions.

Interest expense decreased \$2.6 million due primarily to lower interest rates associated with the three \$50.0 million swap agreements signed in December 2001 and January 2002. The swap agreements were terminated in July 2002 (see Note 6 of the Notes to Unaudited Consolidated Condensed Financial Statements).

Other expense of \$4.4 million for the nine months ended September 30, 2002 includes \$3.6 million related to the Exchange Offer (see Note 7 of the Notes to Unaudited Consolidated Condensed Financial Statements) and \$0.6 million costs incurred for the attempted purchase of Australian Oil and Gas.

Income tax expense for the nine months ended September 30, 2002 consists of foreign tax expense of \$14.8 million and a deferred tax benefit of \$13.7 million. Foreign taxes increased \$4.3 million due primarily to \$3.1 million in additional taxes paid during the first quarter in Colombia, primarily related to the 2001 tax return and increased taxes in the Asia Pacific region. The increases were offset by a reduction in the 2001 taxes accrued in Kazakhstan resulting from the favorable court ruling received in March 2002. The deferred tax benefit was recognized due to the loss generated during the current nine-month period.

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LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2002, the Company had cash, cash equivalents and other short-term investments of \$32.4 million, a decrease of \$28.0 million from December 31, 2001. The net cash provided by operating activities as reflected on the Consolidated Condensed Statement of Cash Flows was \$7.0 million. Due to the reduced revenues during 2002, accounts and notes receivable decreased \$13.0 million and accounts payable and accrued liabilities decreased \$10.3 million. In addition, net cash provided by operating activities includes, in other current assets, a \$27.2 million increase in net receivables relating to construction of

Rig 262 for the Sakhalin Island project. Payments totaling \$22.0 million were received during October from our customer and only minimal additional working capital will be required until the rig begins operations in 2003. The Company is under contract for the mobilization of the rig to Sakhalin Island and will also receive a dayrate for rig-up on site.

Net cash used in investing activities was \$33.8 million. This included \$39.2 million for capital expenditures net of proceeds from the sale of assets of \$5.5 million. Net cash used in financing activities was \$1.3 million. This included \$3.9 million repayment of debt net of \$2.6 million proceeds from the settlement of three interest rate swap agreements.

The Company has total long-term debt, including the current portion, of \$590.5 million at September 30, 2002. The Company has a \$50.0 million revolving credit facility with a group of banks led by Bank of America. 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, less the amount utilized in support of letters of credit. Currently, the borrowing base of \$50.0 million is reduced by \$15.6 million in outstanding letters of credit, resulting in available revolving credit of \$34.4 million. As of October 31, 2002 no amounts have been drawn down against the revolving credit facility. The revolver terminates on October 22, 2003.

The Company anticipates that working capital funds required for capital spending in 2002 will be met from existing cash, other short-term investments and cash provided by operations. It is management's present intention to limit capital spending, net of reimbursements from customers, to approximately \$50 million in 2002, \$39.2 million of which has been expended during the first nine months of 2002. Should new opportunities requiring additional capital arise, or should revenues not meet management's guidance projections, 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 to fund certain capital projects. The Company cannot predict whether such financing or equity participation would be available on terms acceptable to the Company.

The Company is exposed to interest rate risk from its fixed-rate debt. The Company had hedged against the risk of changes in the fair value associated with its 9.75% Senior Notes by entering into three fixed-to-variable interest rate swap agreements with a total notional amount of \$150.0 million. The Company assumes no ineffectiveness as each interest rate swap meets the short-cut method requirements under SFAS No. 133 for fair value hedges of debt instruments. As a result, changes in the fair value of the interest rate swaps are offset by changes in the fair value of the debt and no net gain or loss is recognized in earnings. For the nine-month period ended September 30, 2002, the interest rate swap reduced interest expense by \$2.4 million.

LIQUIDITY AND CAPITAL RESOURCES (continued)

On July 24, 2002, the Company terminated all the interest rate swap agreements and received \$3.5 million. A gain totaling \$2.6 million will be recognized as a reduction to interest expense over the remaining term (ending November 2006) of the debt instrument.

See Notes 6 and 7 of the Notes to Unaudited Consolidated Condensed Financial Statements for information regarding the Company's Exchange Offer which was completed May 2, 2002.

OTHER MATTERS

Critical Accounting Policies

The Company considers certain accounting policies related to impairment of property, plant and equipment, impairment of goodwill and the valuation of deferred tax assets to be critical policies due to the estimation processes involved in each. These policies and other significant accounting policies are summarized in our annual report on Form 10-K for the year ended December 31,

2001.

Recent Accounting Pronouncements

In June 2001, FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires the capitalization and accrual of the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. SFAS No. 143 will be effective January 2003. The Company does not believe the adoption of SFAS No. 143 will have a material impact on its financial position or results of operations.

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121 and amends APB No. 30 for the accounting and reporting for discontinued operations as it relates to long-lived assets. SFAS No. 144 became effective January 2002. The Company has adopted the provisions of SFAS No. 144 and there was no resulting impact on its financial position or results of operations.

In April 2002, FASB issued SFAS No. 145 "Rescission of FASB Statements SFAS No. 4, SFAS No. 44, and SFAS No. 64, Amendment of FASB Statement SFAS No. 13, and Technical Corrections". SFAS No. 145 is effective for the fiscal years beginning after May 15, 2002. The Company has not yet adopted SFAS No. 145 nor has it determined the effect of the adoption on the financial position or results of operations.

In July 2002, FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 is effective for exit or disposal activities initiated after December 31, 2002. The Company has no such activities, thus the Company does not believe the impact of adoption of SFAS No. 146 will be material.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The Company has hedged against a portion of the risk of changes in fair value associated with its \$214.2 million 9.75% Senior Notes by entering into three fixed-to-variable interest rate swap agreements with a total notional amount of \$150.0 million. The terms of the swap agreements are as follows:

<TABLE>

<CAPTION>

Months	Notional Amount	Fixed Rate	Floating Rate

(Dollars in Thousands)			
<S>	<C>	<C>	<C>
December 2001 - November 2006	\$ 50,000	9.75%	Three-month LIBOR plus 446 basis points
January 2002 - November 2006	\$ 50,000	9.75%	Three-month LIBOR plus 475 basis points
January 2002 - November 2006	\$ 50,000	9.75%	Three-month LIBOR plus 482 basis points

</TABLE>

The Company assumes no ineffectiveness as each interest rate swap meets the short-cut method requirements under SFAS No. 133 for fair value hedges of debt instruments. As a result, changes in the fair value of the interest rate swaps are offset by changes in the fair value of the debt and no net gain or loss is recognized in earnings. During the nine month period ended September 30, 2002, the interest rate swap reduced interest expense by \$2.4 million.

On July 24, 2002, the Company terminated all the interest rate swap agreements and received \$3.5 million. A gain totaling \$2.6 million will be recognized as a reduction to interest expense over the remaining term (ending November 2006) of the debt instrument.

ITEM 4. CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, the Company carried out an evaluation, under the supervision and with the participation of the company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On May 2, 2002 the Company announced it had successfully completed the exchange of \$235.6 million in principal amount of new 10.125% Senior Notes due 2009 ("New Notes") for a like amount of its 9.75% Senior Notes due 2006 ("Outstanding Notes"), pursuant to an exchange offer described in the Offering Circular dated April 1, 2002 (the "Exchange Offer"). The Exchange Offer was effected without registration, in reliance on the registration exemption provided by Section 4(2) of the Securities Act of 1933, as amended, which applies to offers and sales of securities that do not involve a public offering, and Regulation D promulgated under that act. The Exchange Offer was made to a limited number of existing holders of the Outstanding Notes that were institutional accredited investors. The Company relied on representations from such institutional accredited investors that the New Notes were acquired for investment and not with a view to the distribution thereof. On July 1, 2002, the Company filed a registration statement on Form S-4 offering to exchange the New Notes for notes of the Company having substantially identical terms in all material respects as the New Notes (the "Exchange Notes"). The offer to exchange the New Notes for Exchange Notes was consummated on September 17, 2002. The New Notes and Exchange Notes will be governed by the terms of the indenture executed by the Company, the Subsidiary Guarantors and the trustee dated May 2, 2002, the terms of which are substantially the same as the terms of the 1998 Indenture, as amended by the Fourth Supplemental Indenture, as described below.

In connection with the Exchange Offer, the Company solicited consents to certain amendments to the definitions and covenants in the indenture under which the Outstanding Notes were issued, which all participants in the Exchange Offer were deemed to have accepted. As a result of the participation in the Exchange Offer of more than 50% of the holders of the Outstanding Notes, the amendments to the 1998 Indenture were agreed, and which amendments have been effected by the execution of the Fourth Supplemental Indenture by the Company, the Subsidiary Guarantors and the trustee filed herewith (as amended, the "1998 Indenture").

ITEM 3. DEFAULTS UPON SENIOR SECURITIES OR DIVIDEND ARREARAGES

None

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

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

The following exhibits are filed as part of this report:

<Table>

<Caption>

Exhibit Number -----	Description -----
15	Letter re Unaudited Interim Financial Information
99.1	Sarbanes-Oxley Act of 2002 Certification - Chief Executive Officer
99.2	Sarbanes-Oxley Act of 2002 Certification - Chief Financial Officer

</TABLE>

(b) Reports on Form 8-K: None

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: November 12, 2002

By: /s/ James W. Whalen

James W. Whalen
Senior Vice President and
Chief Financial Officer

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield
Vice President and Controller

PARKER DRILLING COMPANY
OFFICER CERTIFICATION

I, Robert L. Parker Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker Drilling Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements

were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ Robert L. Parker Jr.

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

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PARKER DRILLING COMPANY
OFFICER CERTIFICATION

I, James W. Whalen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker Drilling Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the

registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ James W. Whalen

James W. Whalen
Senior Vice President and
Chief Financial Officer

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INDEX TO EXHIBITS

<Table>
<Caption>

Exhibit Number	Description
-----	-----
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99.2	Sarbanes-Oxley Act of 2002 Certification - Chief Financial Officer

</TABLE>

EXHIBIT 15

November 12, 2002

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 October 29, 2002, on our review of the interim financial information of Parker Drilling Company for the three and nine month periods ended September 30, 2002 and 2001 and included in this Form 10-Q for the quarter ended September 30, 2002 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, 333-70444, 333-41369, 333-84069, 333-99187), and Form S-3 (File No. 333-36498).

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Parker Drilling Company (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert L. Parker Jr., President and Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Robert L. Parker Jr.

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

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Parker Drilling Company (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James W. Whalen, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ James W. Whalen

James W. Whalen
Senior Vice President
and Chief Financial Officer